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Chartered Institute of Government Finance, Audit and Risk Officers

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Chartered Institute of
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20-21 APRIL

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Greeting Colleagues

Compliments of the new year. After a full year of us not meeting face to face, we would like to acknowledge the continued support we received from our 2020 sponsors. In this issue we focus on public finances amidst the pandemic.

We have very insightful articles that are thought provoking. The following is a list of what could be found in this issue:

- **Revenue Enhancement Strategy is a solution post the Pandemic**
- **Township economies during Covid-19; resilience amid volatility**
- **Do you have enough cash in the bank to sustain your municipality**
- **The international gold standard in integrated asset management source**

As we focus on public finance, the institute is also preparing for the Audit and Risk indaba that is scheduled to take place on the 20th-21st April, in Durban, at the ICC (adhering to very strict, face to face Covid-19 regulations). More information on this can be found on our website www.cigfaro.co.za.

We are also hosting the Local Government Revenue Management Improvement Programme that will run from the 14th April until the 7th of July 2021. Details can be found on our website too.

We continue to encourage our readers, members, and stakeholders to engage with us on our platforms - tell us what issues you would like us to cover and what topics interest you.

Follow and like our social media platforms, we are on Facebook, Twitter, LinkedIn and Instagram.

Esther G

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PUBLIC FINANCE AMIDST THE PANDEMIC

Dear Reader

This edition of the CIGFARO Journal takes up the topic which is currently all over the media and on the lips of every person in the world "Covid-19". For this edition we will look into the impact on our Finances and well as how we are responding to the impact. The first thing that comes to mind is how resilient our Municipalities are, to deal with a pandemic such as Covid-19. The country has seen a drastic drop in revenue collections during the period of the hard lockdown in April 2020 and ever since then, our Municipalities are struggling to recover. A drastic increase in unemployment and the closing of businesses, especially those in the Tourism sector, is the order of the day. We expect our leaders to be transformational leaders, who should ensure that we steer our ships through these troubled waters. We need to look at our spending and how we could ensure value for money, while looking at our productivity and doing more with less. How we respond will depend on leadership maturity, as we are all leaders in our own right.

It is not the right time for long-term debt, although we have seen that our stock exchange has responded positively, and with the general index at a high, the ability to collect cash will contribute towards the cost of borrowing.

I hope that this edition will give you some insight on how to deal with a pandemic which was not foreseen, and which has a severe impact on our finances.

My condolences to those who have lost loved ones during this period as a result of Covid-19 - stay safe and please observe the Covid-19 protocols.

PEET DU PLESSIS
CIGFARO PRESIDENT

NEDBANK PUBLIC SECTOR BANKING PLEDGES TO SUPPORT LOCAL GOVERNMENT

'Last year was an exceptionally challenging year for many, with lots of uncertainty. But at Nedbank we remain open for business and are committed to playing our part in supporting local government throughout this difficult time,' says **Phumela Xanywa**, National Head of Public Sector Banking at Nedbank Business Banking. 'While we continue to navigate the dynamics brought about by Covid-19, we want to sincerely thank all our public sector clients for continuing to entrust us with their business.'

As financial experts who do good, Xanywa says that Nedbank understands and appreciates the role local government plays in providing critically required investment in infrastructure. In response to this, Nedbank has provided medium- to long-term loans and other funding solutions to various municipalities, confirming its commitment to supporting its clients – and South Africa – during these tough times.

Nedbank's partnership with the public sector and aspirations to become the sector's bank of choice continues to grow. During 2020, Nedbank was honoured to be appointed as primary banker to four municipalities – JB Marks Local Municipality, Dr Ruth Segomotsi Mompati District Municipality, Maphumulo Local Municipality and Impendle Local Municipality. Nedbank also remains the bank of choice to four metropolitan municipalities (eThekwini, Ekurhuleni, City of Cape Town and Mangaung) and several local and district municipalities across the country.

> While we continue to navigate the dynamics brought about by Covid-19, we want to sincerely thank all our public sector clients for continuing to entrust us with their business.

'We are also delighted that Matatiele Local Municipality has appointed us as their banking partner for another five years. This is a major accolade, one we do not take lightly, and is testament to the strides we are making in meeting the banking needs of local government through our dedicated and experienced team of public sector specialists,' says Xanywa.

She explains that Nedbank recognises the fight against Covid-19 requires commitment from everyone and, as a result they go beyond banking to provide much-needed support to communities, who are at the heart of what they do. 'We continue to play our part to curb the spread of the virus and heeded the president's call to provide support and emergency relief to vulnerable communities and organisations working on the frontline across the country. This is one of many efforts we participated in, and we sincerely thank all our partners and clients for walking this journey with us.'

Nedbank's dedicated team of public sector specialists is ready to engage on how they can partner with you to support your requirements. To find out more, talk to your business manager or email us at **publicsector@nedbank.co.za**.

COMPLIMENTS OF THE NEW SEASON COLLEAGUES

2020 has been a roller coaster experience. With the pandemic attacking the whole world, everyone has been negatively affected. We recently marked a full year as a country under lockdown and this has impacted our economy, with a lot of businesses restructuring their business plans and operational strategy. GFARO also recently restructured, to ensure business continuity. On the 19th of January 2021, we released a media statement on the restructuring of the institute.

Over the last number of years, the Board and Management have taken all possible measures to ensure the financial well-being of the Institute, including, under COVID-19 Regulations, the restricting of travel and face-to-face meetings, implementing a work-from-home policy, and constantly monitoring the situation around the world. The Board, together with Management, has come to the difficult but necessary decision that, to keep the Institute efficient, effective, and financially viable in the current environment, a rationalisation process had to be implemented to eliminate unnecessary costs and reduce the number of personnel. This was necessary, as staff were no longer fully productive due to changing processes required by the National Disaster Regulation.

CIGFARO continues to operate in accordance with National Regulations relating to the pandemic, taking into consideration the requirements communicated by the officials in public sector finance, in the national, provincial, and local government spheres during these unprecedented times. We have also taken several measures to ensure that the COVID-19 crisis does not negatively impact on the quality of the experience of all members and stakeholders with CIGFARO.

On the 11th of February, our country's president Cyril Ramaphosa delivered the State of the Nation Address where he expounded on the negative economic impact on our country, with more people losing their jobs and businesses closing. The public sector has also been affected with this, as we witness low revenue collection in municipalities and struggle to recover ever since lockdown.

The Minister for the Public Service and Administration, Senzo Mchunu, recently approved the publication of the draft National Implementation Framework towards the Professionalisation of the Public Service for public comments.

The Framework recommends, among other provisions, that the public service be merit-based and insulated from party politics. It also proposes five critical professionalisation pillars, which are:

- Pre-entry recruitment and selection within the public service
- Induction and on-boarding
- Planning and performance management
- Continuous learning and professional development
- Career progression and management of career incidence

As we slowly resume more activities to help build our economy, we are reminded that we are still under strict lockdown regulations and that the country has recently been affected by the second wave of this pandemic. As we issue this journal copy – we hope that you will find the articles shared here very insightful as they are relevant to our realities. We continue to commit ourselves in empowering and servicing our country.

I take this opportunity to welcome everyone back in office and looking forward to us working together again as we help steer the future of our country into good condition.

IRA KOTZE
ACCOUNTING OFFICER

Do you have enough cash in the bank to sustain your Municipality?

by Empril Matthew - Ntiyiso Consulting

THE CONSTITUTIONAL MANDATE FOR MUNICIPALITIES IS SET OUT AS THE PROVISION OF BASIC AND ESSENTIAL SERVICES TO THE PUBLIC.

In simple terms; municipalities are in the business of selling essential services namely; electricity, water, refuse, waste disposal and property rates.

While municipalities are primarily dependent on their customers for revenue, there is a significant portion of this revenue that comes from a select group of consumers; and these are Business, Industry, Government and Large Residential Estates.

This select group of consumers, known as the "Large Consumer Groups" (LCGs), form the backbone of the local economy, with direct and indirect benefits for the municipality's finances, its ability to create jobs, and its growth.

Given that, municipalities should essentially operate like any business that sells services and products, attracting new business, while curbing the exodus of existing business. This should indeed be one of the main goals that municipalities pursue.

A pilot programme conducted in one of the metropolitan cities in South Africa revealed that the LCGs began to pay willingly as soon as they were engaged more proactively and their queries resolved speedily. A quick search on social media reveals alarming levels of dissatisfied customers, many of them defaulting from paying their municipal accounts due to the number of outstanding queries or service requests, which take an inordinate amount of time to resolve.

A sample of two hundred (200) debtor accounts were selected under the pilot programme and it was observed that approximately twenty (20) million rand was collected in addition to the

This should indeed be one of the **main goals** that municipalities pursue.

average payment level over a four (4) month period. This translated to an average of a hundred thousand rand (R100, 000) per account in increased payments, but also to an improved customer satisfaction score/rating for the municipality.

Looking at the average payments received in the eight months preceding the programme, it is evident that the programme achieved the desired results i.e. cash in the bank for the Metro to meet their service delivery mandate.

As such, no municipality can afford to mistreat or ignore its LCG; especially in the current economic climate, when customers need engagement and support more than ever. It is therefore vital that municipalities adapt to changes, by establishing one-stop centres for all LCGs. These one-stop centres should include one-on-one interactive booths for consumers, and the centres should act as single contact-and-coordination points between customers and all relevant municipal departments.

A major benefit for municipalities when adopting the one-point-of-contact model is that these entities will be persuaded to remain within the municipality, resulting in their employees taking up residence in the area, with a consequent benefit for the housing market. It is a proven fact that people find it convenient to stay closer to where they work.

It is therefore evident that municipalities need to think and operate like businesses, in order to sustain themselves. Part of this translates to prioritising the municipality's most impactful customers so as to ensure its organisational sustainability. And this sustainability can only be attained by putting the customer at first and foremost. C

NTIYISO CONSULTING

The international gold standard in integrated asset management

Source: https://insite.ipwea.org/

Effective and efficient management is vital to ensuring the safety of those who use a community's assets. It also makes sound financial sense.

That is why finance managers need a thorough understanding of all aspects of asset management, says Chris Morrill, CEO of the US/Canada Government Finance Officers Association (GFOA).

"Community assets are not only a major item on the balance sheet, they are also critical to delivering services to constituents," explains Morrill. "Asset management is also important for intergenerational equity. In other words, not passing down major liabilities to future generations."

Morrill warns there are potentially dire consequences when finance managers fail to understand asset management.

"When public finance managers fail to understand asset management, they put their government and their constituents at risk," he says. "We've seen the lives lost when critical assets like bridges have not been properly maintained.

"In less visible ways, poor asset management burdens future generations and makes it more difficult for communities to build financial resilience to survive natural and man-made crises."

FINANCE MANAGERS LEADING THE WAY.

It's not uncommon for government finance managers to have a lack of understanding of the importance of asset management, says Morrill. However, the good news is that finance managers in many parts of the world are leading the way.

"Countries like Australia and Canada have been encouraging asset management – and providing educational resources and certification – longer than in the US," he says. "While nationally there are infrastructure scorecards – The American Society of Civil Engineers' latest grade for US infrastructure was D+ – it's not given as much attention at the local level."

Morrill explains that this happens because finance teams don't make asset management a priority. "I think there has been a lack of understanding because asset management was not perceived as an important skill for finance managers," he says. "At GFOA, we have best practices on capital planning and budgeting but do not necessarily approach it holistically as in asset management."

THE GOLD STANDARD STARTS WITH THE IPWEA

When it comes to defining what the international gold standard

looks like when it comes to asset management, Morrill singles out the IPWEA for praise.

"I've been impressed with the approach, resources and training developed by IPWEA for public asset management," he says. "The work of the Canadian Network of Asset Managers is also very good."

Morrill says it's difficult to compare the average standard of asset management internationally but favourably contrasts Australia with its northern hemisphere cousin. "I do know US state and local governments could learn from Australia and Canada," he says.

MOVING TOWARDS A POSITIVE FUTURE

There are several steps that can be taken along the road to raising awareness – and therefore standards – of asset management, according to Morrill.

"I think we need to provide more case studies on the benefits of comprehensive asset management so public servants (in finance, engineering, planning and public works) will want to know more and bring the discipline to their communities," he says. "At GFOA, we highlighted the work of the Washington DC government in successfully implementing asset management – and the difference it made to their citizens. We need to tell more of those stories."

Morrill believes change is already underway within the industry. "There is a growing interest in asset management, which I think is getting even more attention with the focus on infrastructure in the US for economic growth and the need for resiliency in preparing for climate change," he says.

His advice for finance officers when making effective asset decisions is focused on the universally important tools of maintaining open lines of communication and always having a willingness to cooperate.

"I believe finance officers can assist their elected bodies in making effective asset decisions if they can marry their strong government finance skills with the professional knowledge from their colleagues in engineering, planning and public works," he says. "A more collaborative, cross-disciplinary approach will lead to better asset management programs – and gain wider support."

Professionalising the Public Sector

by Dr Emmanuel Ngcobo - CIGFARO

South Africa like many developing countries is beleaguered with numerous challenges that demands for transformational leadership now more than ever if we want to see change, bearing in mind that leadership is not a position but a lifestyle.

Our democratic structures of governance puts at the helm of this transformation the collective effort from all spheres of government and its respective stakeholders, suffice to say this includes both politicians and public servants. Hence the call to professionalise the public sector is indeed a valid one, however let us not be myopic in expecting professionalism to solve the pandemic of corruption and abuse of power that continues to cripple our nation. Let's not make the mistake of politicising professionalism.

The recent assertion by the learned, Mr Mcebisi Ndletyana (Mercury Newspaper – 13/01/2021), that professionalism has to start with government Ministers as opposed to public officials, appears to be a one sided opinion. Whilst politicians have been found wanting in recent years, this must be dealt with in its appropriate manner with proper consequence management measures being implemented.

Good governance should always be driven with our people's best interest in mind. Effective and efficient service delivery can only be achieved by having qualified and competent public officials. Public servants are the true triggers of transforming the quality of service delivery and it is imperative that every effort must be given to maximise their potential.

With the release of the policy framework by the National School of Government which seeks to professionalise the public sector, we can trust that going forward there will be constructive changes from which our communities will reap the benefits. This is what is truly required. This framework in its current form would ensure government departments not only have competent officials but are continually equipped in this evolving and regulated environment. Furthermore, the framework makes it clear that the Public Service must be depoliticised and government departments must be insulated from the politics or political parties.

The professionalisation of public officials will ensure government institutions have qualified people who know what they are doing and are fully equipped to perform their jobs with diligence and competence whilst upholding high ethical standards. This will allow political leadership to exercise their oversight with credibility in respective portfolios and as a result hold appointed officials accountable.

Succeeding in getting this right will surely lead to an improved South African Public Service and ultimately excellent service delivery to our country's citizens.

> Hence the call to professionalise the public sector is indeed a valid one.

Professionalising the Public Sector

by Dr Emmanuel Ngcobo

GBCSA welcomes eThekwini's progress on rebates for Green Buildings by eThekwini Municipality

by Janet Channing, Metgovis

In its 2021/2022 Draft Rebates Policy, the eThekwini Municipality has included a section which would incentivise Green buildings.

The Green Building Council South Africa (GBCSA) is very encouraged to see the work being done at the eThekwini Municipality on green buildings.

"Rebates for property owners who make the commitment to improve their buildings and have this validated by our rigorous Green Star rating system, would be an attractive incentive. This would surely inspire more property owners to aim for green certification, and in so doing provide better buildings for people, while ensuring cities and the country reach their climate goals," says GBCSA CEO Lisa Reynolds.

There are currently over 600 Green Star ratings in Sub-Saharan Africa – a great achievement since the first building was Green Star rated in 2009. There is, however, much room for improvement in the built environment going forward.

eThekwini Municipality Head: Development Planning, Management and Environment Unit, Lihle Phewa explains that "cities are already experiencing severe climate change risks, and it is highly likely the severity and frequency will increase. Everyone needs to contribute from their core mandates and work together."

"It just makes sense for cities to start transitioning towards net-zero carbon and resilient buildings sooner rather than later. It is acknowledged that such buildings do come at an upfront financial premium, but lower life cycle cost. As a result, the position to incentivise the uptake of green buildings will play a critical role in stimulating the green economy and driving down costs," Phewa adds.

"As buildings become more efficient and generate their own energy, it is without a doubt that the revenue collection of cities in terms of electricity sales will decrease. However, we have an obligation to deliver on climate change commitments. The cost of inaction will be a lot higher than the costs of the incentive and

other initiatives that seek to green buildings," says eThekwini Municipality Head: Revenue Management Unit, Peet Du Plessis.

The eThekwini Municipality notes that the Rates Policy acts as the legal authority upon which the "Green Building Incentive Policy" will be developed. This Green Building Incentive Policy will give effect to clause 7.15 in the Rates Policy. The Green Building Incentive Policy is currently being developed, and will only be put forward to council to begin public consultation once the New Buildings: Green Policy is adopted.

The New Buildings: Green Policy is the overarching policy on the direction that eThekwini wants new buildings to strive for – their journey to net zero carbon.

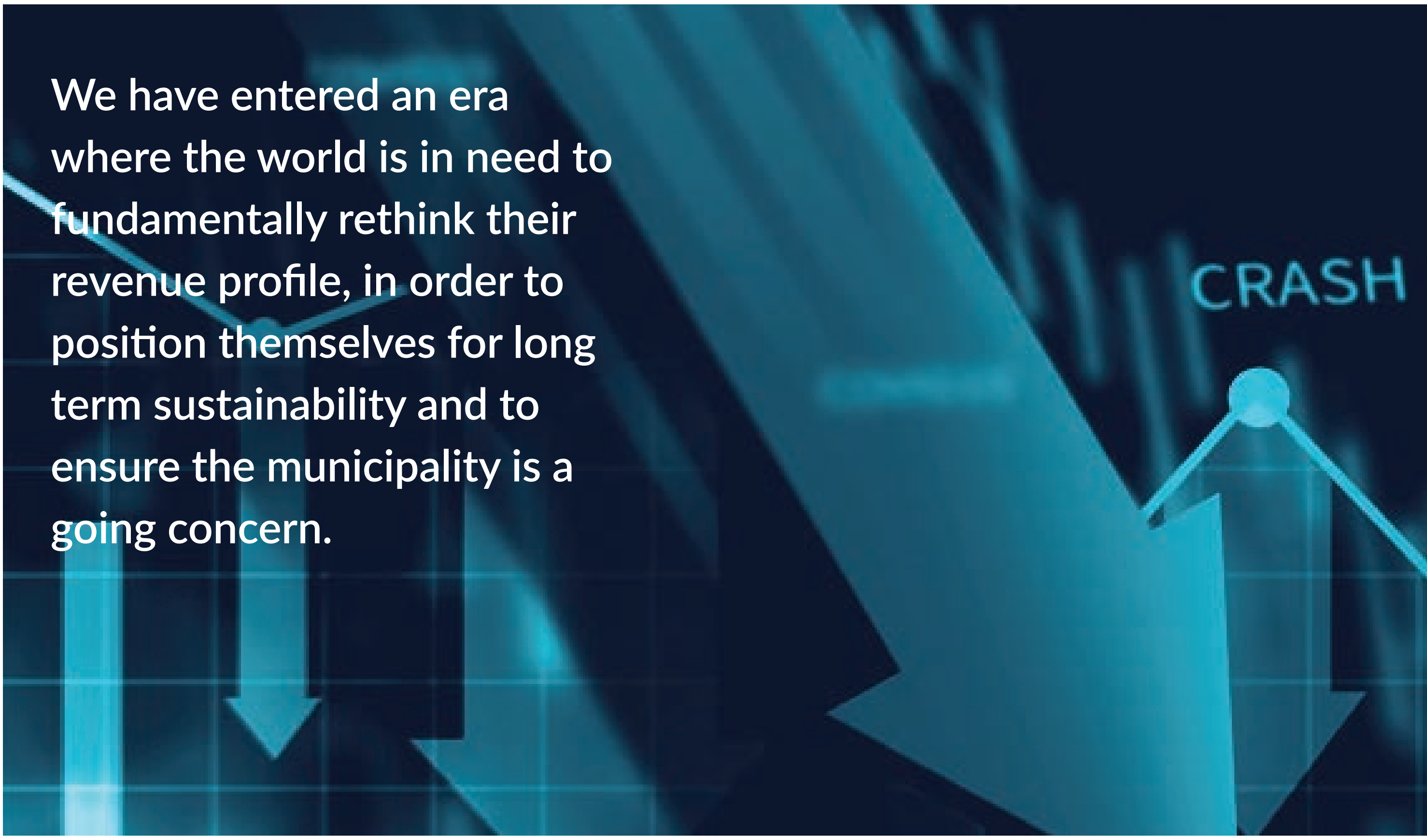
Public comment on this document closed in January 2021 and it is currently being reviewed. The New Buildings: Green Policy is expected to be ready to submit to council in the second quarter of 2021.

eThekwini is one of four South African cities that is a C40 city and signatory to the ambitious 2018 C40 Global Net Zero Carbon Buildings Declaration. This means it has committed to developing regulations and/or planning policy to ensure new buildings operate at net zero carbon by 2030 and all buildings reach net zero carbon status by 2050.

The GBCSA certifies green buildings using the Green Star, EDGE and Net Zero rating systems. These provide robust and objective measurement of green buildings in South Africa and Africa. These rating tools cater for multiple building types and create a common language and standard of measurement for green buildings. The voluntary rating systems have been embraced by many in the public and private sector who can showcase impressive green buildings from 4-Star (Best Practice) to 6-Star (World Leadership) ratings.

Revenue Enhancement Strategy is a solution post the Pandemic

by Sikelelwa Foslara - Bonakude



We have entered an era where the world is in need to fundamentally rethink their revenue profile, in order to position themselves for long term sustainability and to ensure the municipality is a going concern.

The objective of any successful revenue enhancement strategy is to build and improve on current payment levels and then to recover arrear debt. COVID-19 exposed a lot of loopholes in local government revenue management and within a few weeks of the pandemic, one could already start to see the potential impact on cash flow and how the crisis would impact long-term sustainability.

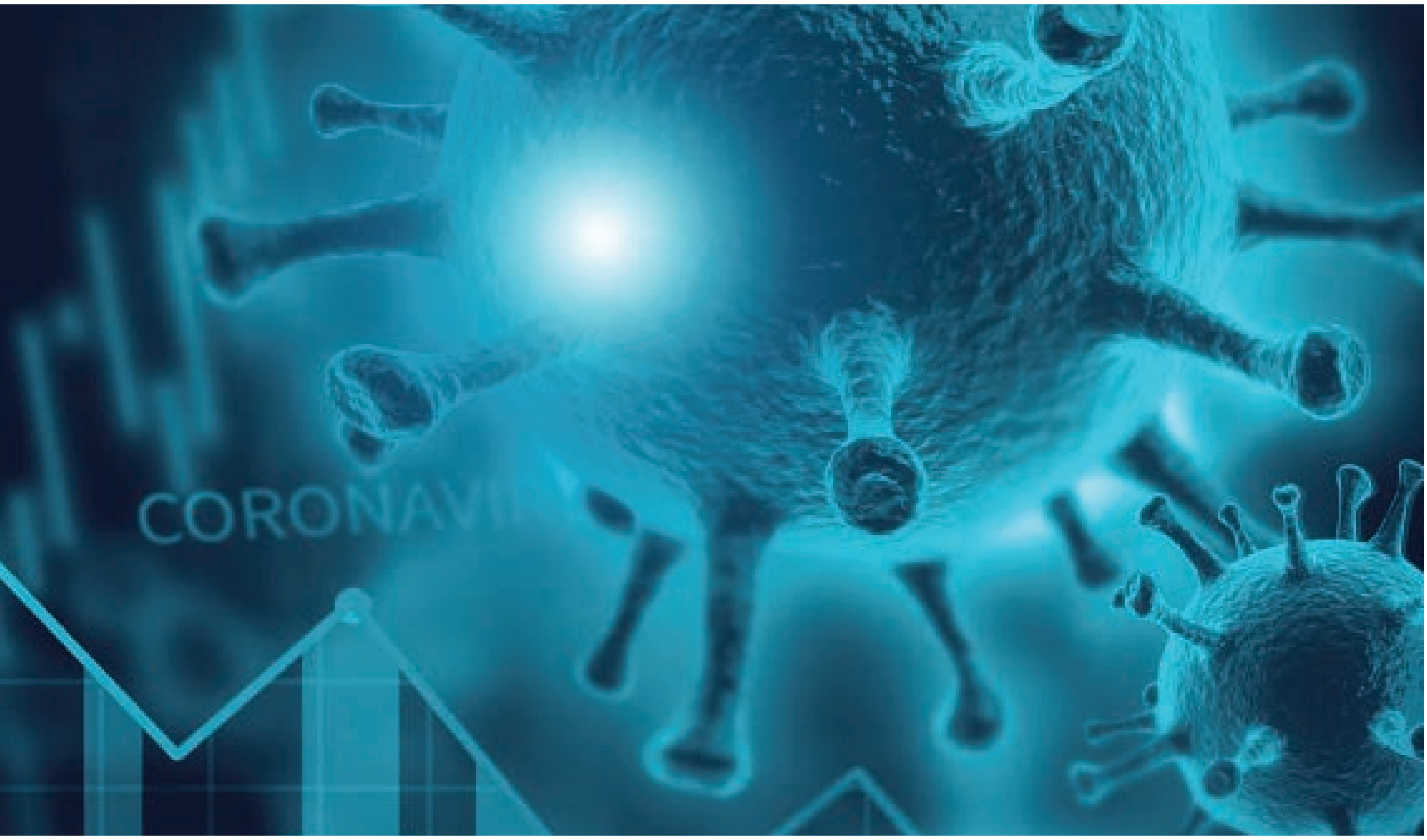
Revenue management is an integral part of any business that strives to succeed, this also includes municipalities. With the pressures that COVID-19 has put on the national fiscus, it is even more crucial that municipalities should be self-sufficient as they can no longer be solely dependent on the National Treasury for funding. In order, for municipalities to be able to deliver on their service delivery mandate, it is prudent that municipalities must be able to generate their own revenue.

In April 2020, CIGAFRO made the following comment ; “Each municipality must have its Financial system which is the backbone and driver to manage the raising of revenue and the related collections.” Municipal Revenue Collections are usually done internally by the municipality. In exceptional cases, we have noted that the collection of revenue is done through the external service providers, but this is not readily recommended by CIGFARO. It is advisable that the municipalities should deal with their credit control and debt collection processes to retain customer-centricity and only outsource the final debt collection procedures when debt has to be handed over for legal collection procedures to take place. The main reason for municipalities to manage the collection of revenue through the municipal administration is to encourage municipalities to apply legislation to their benefit during the collection processes. The municipal disaster recovery plan should provide for channels of payment in times of disaster and the related reconciliation of receipts.

We note in the past that many municipalities had received negative audit outcomes from the Auditor-General South Africa due to challenges with revenue management. This was accompanied by the service delivery protests where communities complained that the municipalities were not being able to provide basic services.

The national lockdown exposed the worsened situation of the municipalities where many could not:

1. Charge interest on long outstanding debt, and
2. Apply their credit control processes to enforce payments of accounts as the entire economy was at a standstill.



To ensure that the situation does not become dire, in such a way that the municipalities are not able to function, municipalities should look at an inclusive revenue enhancement strategy that will assist municipalities with the following:

1. Cleaning of the customer database

- Only customers that exist and are receiving municipal services are billed.
- All customers within the municipality's jurisdiction that are receiving municipal services and own properties are billed monthly (completeness) and
- These customers are billed for actual consumption (accuracy). This will be done through auditing of meters.

2. The Indigent Management System

- Verifying the indigent register.
- Verifying the validity of indigency status of applicants from Home Affairs, Social Development and Credit Bureau
- Ensuring that municipal indigent registers are complete.

The revenue enhancement strategy should not only focus on data cleansing to ensure complete and accurate billing, improved credit control and debt management and improved indigent management but it should assist with revenue solutions. The revenue solutions should assist the municipalities to identify new revenue streams. This will not only assist municipalities in reducing the audit findings from the Auditor General, but it will assist the municipalities with increasing their internally generated revenue that will in turn make sure that municipalities are able to provide services to their communities as mandated by the Constitution.

It will not be enough for municipalities in this new normal to only recover revenues as the crisis subsides. We have entered an era where the world is in need to fundamentally rethink their revenue profile, in order to position themselves for the long term sustainability and to ensure the municipality is a going concern.

In conclusion, , the municipalities can no longer focus on just collecting revenue from the service charges, in this new normal but they need to rethink and find ways to increase their current revenue base, as they can no longer depend on government grants and subsidies to supplement their own revenue. C

Auditor-General calls on government leaders to ensure 'sustainable' audit outcomes

Media Statement by Auditor General of South Africa

Auditor-General (AG) Tsakani Maluleke

PRETORIA – Auditor-General (AG) Tsakani Maluleke on the 31 March 2021, reported "signs of improvement" in the national and provincial government audits, and strongly urged government leaders to ensure "progressive and sustainable improvements" in their outcomes.

The Auditor-General also reiterated the theme of the 2018-19 report, **act now on accountability,** out of concern that little progress was made in addressing concerns raised in the previous year.

The concerns were also highlighted in the two special reports tabled in 2020 on the financial management of government's Covid-19 initiatives and related to 1) sustainable solutions required to prevent accountability failures; 2) ensuring consequences for accountability failures; 3) prioritising improving financial management of auditees; 4) taking opportunities for progressive and sustainable change.

Releasing the 2019-20 general report (GR) for national and provincial government and their entities – her first GR since taking office as AG last December – Maluleke says although there are signs of improvement at some auditees, her office "cannot yet see the progressive and sustainable improvements required to prevent accountability failures and deal with them appropriately and consistently across national and provincial government".

A continued call to act on accountability

The AG says her office's message for the 2019-20 report is tabled under the theme a **continued call to act on accountability**, which is consistent with the previous year and says:

- Although the improvements in audit outcomes are encouraging, **the sustainable solutions required to prevent accountability failures** are not yet in place, and will require investments from all levels of government.
- Oversight, executive authorities and coordinating departments should pay **specific attention to state-owned entities, struggling public entities and the key service delivery departments** such as health and education. The inability of these auditees to sustain their operations and continue to deliver services will – and is having - a significant impact on government finances and the lives of citizens.
- The importance of **financial management disciplines** in this time cannot be underemphasised – every official must do their part to ensure public money is protected and there is transparency and accountability for the way it is managed.
- **Preventing leakages and recovering** money that have been lost will need to be a key priority of all accounting officers and authorities in this time when much must be done with very limited and continually decreasing financial resources.
- If **consequences for accountability** failures are required, these must be effected swiftly, bravely and consistently. We believe that if sufficient attention is directed at these, we will realise the improvements required and will contribute to the success of our auditees.

Impact of Covid-19 in the 2019-20 audit process

The pandemic and the lockdown affected the reporting and audit processes for the 2019-20 financial year, resulting in the delayed release of the report.3 The national audit office had to adapt to working remotely and technology has been of great value and we found new ways of working in partnership with our auditees. In this time, we conducted both 2019-20 audits with real time audits of the Covid-19 initiatives conducted from March 2020. We also tabled two special reports on the financial management of government's Covid-19 initiatives. C

The full report can be accessed on the AGSA website.

www.agsa.co.za

Does SA government meet its Constitutional obligation on Socio-Economic rights?

by Gary Pienaar, Narnia Bohler-Muller and Michael Cosser - Daily Maverick (Republished)

The question to be answered by Parliament when it scrutinises the government's Budget is whether the Budget Speech and the Budget Review meet the required standard that substantive regressions in the realisation of socioeconomic rights must be 'fully justified'. **Resource constraints alone cannot justify inaction or regression when the full context of the Budget is relevant.**

Reactions to Finance Minister Tito Mboweni's Budget speech on 24 February 2021 have highlighted once again the gap between the ambitious transformative human rights vision in South Africa's Constitution and the country's troubled financial management and economic performance.

The Constitution is our country's supreme law and is binding on everyone, including all branches of government. What role should the Budget play in helping to achieve the transformed society envisaged by the Constitution, especially in promoting the progressive realisation of socioeconomic rights (SERs) – a requirement in terms of our Bill of Rights?

Sections 26 and 27 provide that everyone has the right of access to adequate housing, healthcare services, sufficient food and water, and social security; sections 29 and 24 provide that everyone has the right to a basic education and a healthy environment; and section 25(5) and (6) provides that everyone has the right to equitable access to land. Some of these needs must be met immediately, while others can be met within a reasonable period.

This principle of progressive realisation finds its origin in the International Covenant on Economic, Social and Cultural Rights (ICESCR), to which South Africa acceded on 18 January 2015, 49 years after its adoption.

Article 2 of the Covenant provides that "each State Party to the present Covenant undertakes to take steps... especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realisation of the rights recognised in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.

The wording of this principle – especially "the maximum of its available resources" – requires careful analysis of government budgets when assessing whether governments are meeting their commitments.

The United Nations' Committee on Economic, Social and Cultural Rights (CESCR) monitors member countries' performance and progress in meeting these obligations.

The CESCR's General Comment 3 on the "Nature of States' Parties Obligations" includes guidance on what governments need to do when their economic circumstances change. It also considers the meaning and implications of progressive realisation, stating that "... it thus imposes an obligation to move as expeditiously and effectively as possible towards that goal.

Moreover, any deliberately retrogressive measures in that regard would require the most careful consideration and would need to be fully justified by reference to the totality of the rights provided for in the Covenant and in the context of the full use of the maximum available resources".

The committee acknowledges that equitable and sustainable development requires concerted effort. It also recognises the reality that economic growth is not a linear process and that setbacks occur.

If, for any reason, including a global pandemic, a government claims that it is unable to meet its obligation to sustain the progressive realisation of all SERs, it must "fully justify" why it cannot.

It must do so by explaining its policy choices with reference to the context and all the circumstances, and it must show that it has, in fact, prioritised efforts to use all appropriate means within the maximum of its available resources to meet the "minimum core" needs of all its people, especially the most vulnerable.

The United Nations High Commissioner for Human Rights (UNHCHR), in collaboration with the International Budget Partnership (IBP), has published detailed additional guidance on what constitutes compliance with budgeting for the progressive realisation of human rights.

Any "negative human rights impacts of whatever policies a government chooses to follow", say the UNHCHR and IBP, "should not be considered simply unfortunate side effects of tough, but necessary, decisions.

Where a reasonable-sounding policy that may impede the advancement of human rights is chosen, a government needs to explain "when and how it plans to shift back to policies more directly beneficial to the realisation of human rights".

In addition, a government's budget allocations must be justifiable and non-discriminatory; spending must be efficient, not wasteful; and spending must not be illegally diverted, for example, through irregular procurement or corruption.

WHAT DID THE MINISTER SAY IN HIS BUDGET SPEECH?

While minister Mboweni in his Budget speech recognised the impact of the Covid-19 pandemic on human life (nearly 50,000 deaths) and livelihoods (around 1.4 million job losses), he committed to "extend[ing]... support to the economy and public health services in the short-term, while ensuring the sustainability of our public finances in the medium term".

As debt was reduced, the budget share available for programmatic spending could increase. The R40-billion in taxes proposed in the 2020 Medium Term Budget Policy Statement (MTBPS) would not be levied – despite cogent arguments by some for a windfall tax, a wealth tax or a tax on the super-wealthy to narrow deep socioeconomic inequalities. R10-billion would, however, be budgeted for South Africa's Covid-19 vaccination campaign over the next two years – the contingency reserve being increased from R5-billion to R12-billion "to make provision for the further purchase of vaccines and to cater for other emergencies".

While this seems prudent given the reality of emerging virus variants and the uneven efficacy of existing vaccines, some of this amount will be recouped from medical aids' reserves.

Government debt, said the minister, would be stabilised at 88.9% of GDP in 2025/26, the ratio declining thereafter. High levels of debt increased the cost of borrowing, leading to higher future taxation and uncertainty, and ultimately to a reduction in the resources available for programmatic social spending.

Public finances, concluded the minister, were "dangerously overstretched": gross loan debt would increase from R3.95-trillion in the current fiscal year to R5.2-trillion in 2023/24.

This account by the minister provided the backdrop to the following social spending allocations:

- R6.3-billion to extend the special Covid-19 social relief of distress (SRD) grant until the end of April 2021;
- R30 increase for old age, disability and care dependency grants to R1,890 (a 1.6% increase);
- R30 increase in the war veterans grant to R1,910 (a 1.6% increase);
- R10 increase in the child support grant to R460 (a 3.4% increase); and
- R10 increase for the foster care grant to R1,050 (a 1% increase).

These "increases" effectively cut total expenditure on social grants by R5.8-billion in 2021/22, R10.7-billion in 2022/23 and R19.5-billion in 2023/24.

CRITICISM OF THE BUDGET

Criticism of the Budget revolved around it effectively being, despite the minister's protestations, an austerity Budget that contravened the country's human rights obligations, given that it:

- Proposed increasing expenditure on social grants (see above) at rates well below inflation;
- Failed to extend the SRD grant beyond April 2021, although the economy would continue to limp along for far longer, particularly while the government's vaccine rollout plan and timetable remain undefined and indeterminate; and
- Made no provision for predictable social security for the long-term unemployed between the ages of 18 and 59.

The Black Sash's open letter to the finance minister following the budget speech asserted that the Budget had "failed to address the escalating humanitarian crisis that currently threaten[ed] the livelihoods of millions of vulnerable people".

Even if the government achieved its optimistic target of a 3.3% economic rebound in 2021/22, it knew that "it [was] impossible to create enough jobs for the 1.4 million lost during the Covid19 period, let alone for the 11.1 million people currently unemployed (using the broad definition)" – especially given that its employment programmes "mostly create[d] short term, precarious jobs".

The government seemed, concluded the Black Sash, "to have reneged on its constitutional and international obligations".

Similarly, the Budget Justice Coalition's (BJC) submission to Parliament queried whether the "underlying logic of [the fiscal] framework support[ed] the kind of state envisaged in the Constitution". The 2021 fiscal framework "further limit[ed] the scope for a humane, caring state by proposing further cuts to already pitiful public resources for social services".

Civil society has not been alone in calling into question whether the Budget was justifiable and defensible given the government's constitutional obligations. Michael Sachs, previously head of Treasury's budget office and currently the acting chairperson of the Finance and Fiscal Commission (FFC), expressed concern that the Budget "signalled the erosion of basic human rights such as basic education, healthcare and social grants enshrined in the Constitution".

For the first time, Sachs argued, a Budget had been tabled "that unambiguously envisaged a retrogression in socioeconomic rights set out in the Bill of Rights" – a regression "likely to extend beyond the three years of the medium-term expenditure framework until debt had stabilised".

The FFC was particularly concerned about the impact of effectively regressive social grant allocations on child hunger – with its implications for malnutrition, stunting and poor education outcomes.

Noting that citizens did not "get their rightful returns from public spending, especially as noninterest government spending [was] reduced", the FFC recommended a comprehensive approach that included:

- A decisive and coherent strategy and… political will;
- Implementation of…fiscal consolidation, targeting cuts at areas of underspending and questionable performance;
- Eradication of duplication of functions – i.e. the merging or closing of departments and public entities where appropriate;
- Investment in the use of technology and other areas of improving the capability of public sector personnel; and
- Eradication of contract mismanagement and procurement irregularities.

In effect, the FFC submission echoed international law in the form of Article 2 of the International Covenant and the guidance by the CESCR concerning implementation of its obligations, which are echoed in our Constitution. In particular, the question to be answered by Parliament when it scrutinises the government's budget is whether the Budget Speech and the Budget Review meet the required standard that substantive regressions in the realisation of SERs must be "fully justified".

Resource constraints alone cannot justify inaction or regression when the full context of the Budget is relevant. Constraints cannot justify retrogression if there are other ways of using public funds. For example, the choice to provide a further bailout for SAA must be explained in detail and "fully justified".

The UNHCHR and the IBP have pointed out that "corruption raises problems with regard to the government's compliance with its obligations to undertake all appropriate budgetary measures, and more evidently with regard to its ESCR obligations of [maximum available resources], since the funds have been allocated for human rights-related programmes but are not spent for their designated purposes".

Corruption in government expenditure, says the CESCR, constitutes a failure by a government to comply with its obligation to use the maximum of available resources to realise SERs.

Failure by the government to effectively combat corruption is also a failure to comply with its obligation to use the maximum of available resources to advance SERs, because funds diverted or misused are funds wasted.

Township economies during Covid-19; resilience amid volatility

by Kopano Ntsoane - South African Cities Network

Township economies during Covid-19; resilience amid volatility.

By virtue of their sheer size, diversity and nature of business practices in all sorts of spaces and places, township economies can be regarded as the lifeblood and the future of city economies. While the Covid-19 pandemic has been accompanied by unprecedented levels of disruption in city economies, with townships being severely hit, the resourcefulness of survivalist businesses and micro-enterprises even in the absence of support cannot be overstated. Informed by various research outputs, stakeholder engagements and firsthand experience, this article makes observations about what has been the apparent culture and conditions within the township economic space during this period and implications for the future. It posits the need for urban practitioners to understand the character of township economies, advocates for the review of the regulatory environment pertaining to township businesses and recommends collaborative 'action' by role players.

Diversity, resilience and vulnerability.

The need to understand the nature of business practices in township economies should be underlined as it is key to avoiding misguided interventions. Township economies and markets are relatively self-sufficient networks of licensed and unlicensed commercial activities operated by township entrepreneurs across a variety of sectors, to primarily serve the needs of township residents. There is a widespread recognition that these economies are deeply embedded in governance systems of power and decision making, thus making them complex. The complexities associated with township economies also stem from the fact that township areas were not necessarily designed for diverse commercial activity but for residential purposes, which were segregationist in nature. With limited movement due to lockdown, some commercial activity has been limited to residential spaces such that township enterprises and markets are now seen as playing a role in the production of housing. This observation shifts attention to the importance of networks and mutual relationships within residential spaces that reinforce township markets and enterprises. While these relationships are important for survival, they are also threatened by the much-needed lockdown regulations. Ordinary life under government-imposed lockdown has been defined by very limited social distancing due to difficult (densely populated) living circumstances in townships, lack of sanitation and personal protective equipment, and the tendency of citizens to undermine lockdown regulations. This situation makes townships high risk and most vulnerable to health and economic stresses and shocks, yet their economies have demonstrated some resilience and potential to survive despite the odds.

A scan on the regulatory environment.

The SACN has embarked on a three-part action research initiative intended to address key institutional barriers to the growth and development of township economies, particularly as it relates to enablement through regulation, with a focus on Gauteng. A key finding made in this regard is the cluttered and fragmented nature of the legal and policy framework, scattered across sectors and government spheres and agencies. The legal requirements tend to act as an impediment that hampers participants in township economies. This is largely due to the regulatory burden, stringent legal requirements and control and command mechanisms. During this pandemic, it has been seen with the application processes and approval for trading permits and funding support for micro-businesses, which are often lengthy and out of tune with the circumstances on the ground. Corporate influences during this time are also worth scrutiny. While there's existing support from NGOs, public and private sector, gaps have been identified in eligibility requirements, exclusion of foreign nationals, often misleading funding information and time lags. It is therefore imperative that any legislative, policy or Covid-19 related support instrument dedicated to township economic development carefully defines and target the kinds of people, economic activity, and sector it pertains to.

Response measures and future prospects.

Despite being masked by negative sentiments such as the rise of the illicit market and contraband goods, township businesses have demonstrated a sense of resilience and adaptability with shifted product and service offerings to respond to the changing circumstances. However, health risks, lack of access to information and limited support mechanisms continue to threaten business survival. It is therefore necessary to optimize existing measures. Although not exhaustive, township economies can in the medium and longer term be supported through a combination of measures targeted at;

i. improving health and safety, service delivery and economic infrastructure,
ii. improving security of tenure over township properties,
iii. tailoring built environment regulations to suit the needs of township businesses, especially relating to building standards, zoning, land use management etc., and
iv. promotion of access to information and protection of social assets (social networks, participation, family income etc.).

The Covid-19 pandemic has revealed that while township economies are vulnerable and sensitive to disruption, they are also adaptable to different changing circumstances given their fluid architecture, and even more so in the presence of support. However, survivalist businesses remain highly exposed. Immediate measures need to be put in place to protect the health of participants and especially the most vulnerable, improve their access to Covid-19 related information, and increase their prospects of surviving Covid-19 related stresses and shocks. These measures need not be implemented in isolation. It is imperative that measures are coordinated and aligned potentially through a dedicated forum with participants at the center. C

NEW MEMBERS

ASSOCIATE MEMBERS			
Province	Organisation	Surname	Name
Kwa Zulu Natal	eThekwini Municipality	Haripersad	Nicosha

CHARTERED GOVERNMENT FINANCE OFFICER			
Province	Organisation	Surname	Name
Kwa Zulu Natal	Apex Chartered Accountants	Iyer	Meganathan
Gauteng	SM Consulting	Maharaj	Suren
North West	Kgetleng Rivier Municipality	Ngwenya	Sipho

PROFESSIONAL GOVERNMENT FINANCE OFFICER			
Province	Organisation	Surname	Name
Kwa Zulu Natal	Ethekwini Municipality	Mzembetha	Zizipho

REGISTERED GOVERNMENT FINANCE TECHNICIAN			
Province	Organisation	Surname	Name
Zimbabwe	City of Harare	Chitsika	Advance

REGISTERED GOVERNMENT FINANCE PRACTITIONER			
Province	Organisation	Surname	Name
Kwa Zulu Natal	Ethekwini Municipality	Singh	Shivesh

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

PREVIOUSLY	NEW
Student (SIMFO)	Student (Student-CIGFARO)
Junior (JIMFO)	Registered Government Finance Practitioner (RGFP)
	Registered Government Internal Auditor (RGIA)
	Registered Government Risk Practitioner (RGRP)
Licentiate (LIMFO)	Registered Government Finance Technician (RGFT)
	Registered Government Internal Audit Technician (RGAT)
	Registered Government Risk Technician (RGRT)
Associate (AIMFO)	Professional Government Finance Officer (PGFO)
	Professional Government Internal Auditor (PGIA)
	Professional Government Risk Officer (PGRO)
Senior Associate (SAIMFO)	Chartered Government Finance Officer (CGFO)
General (GIMFO)	Affiliate (Affiliate-CIGFARO)

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

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

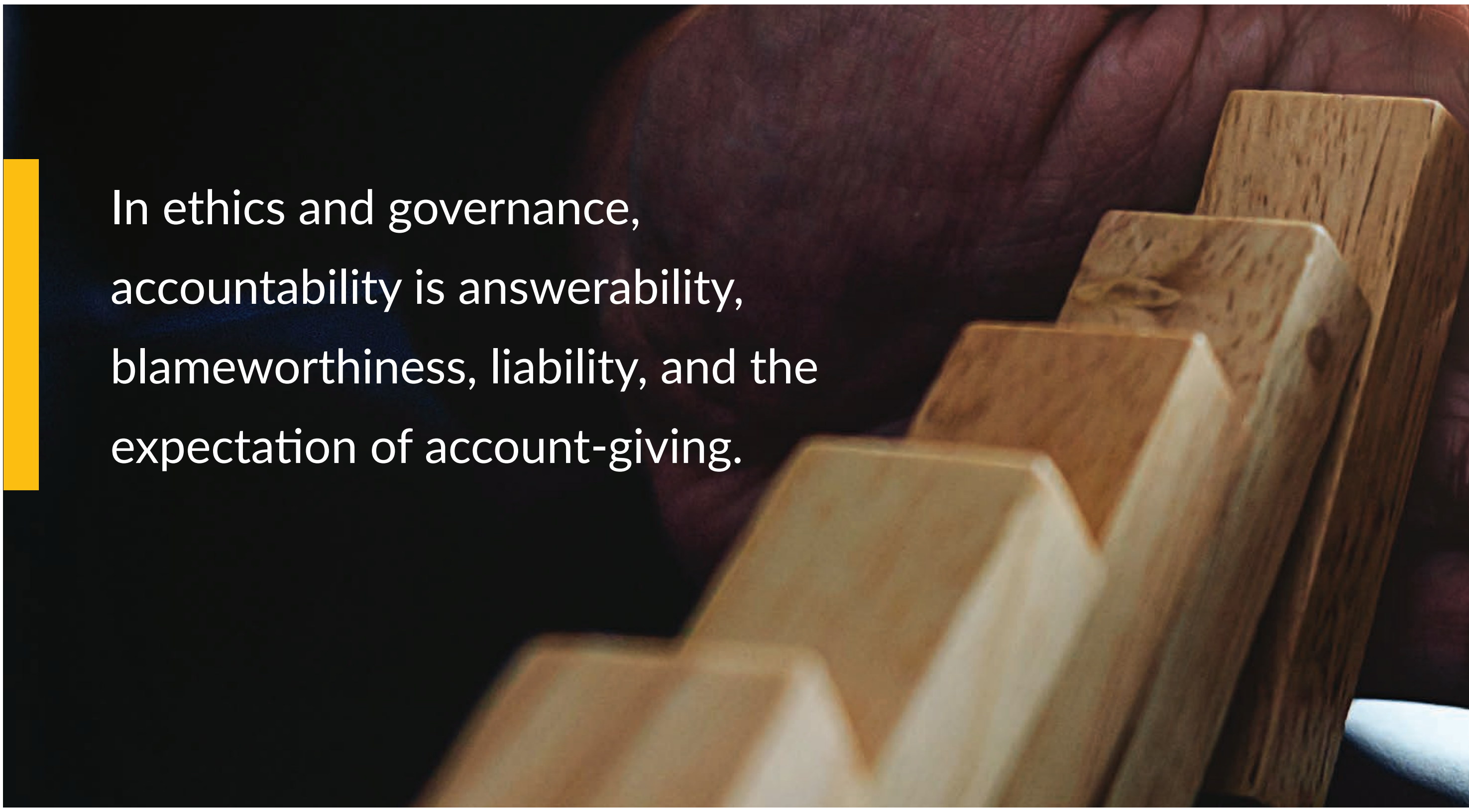
CIGFARO
Chartered Institute of
Government Finance, Audit & Risk Officers

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

LEGAL CORNER - Public Accountability

by Louise Muller – CIGFARO



Auditor-General Tsakani Maluleke has identified R5.8bn of losses in the current financial year! Is it any wonder then that her office has been working hard on implementing the legislation that gives it more teeth to deal with public entities flouting financial controls? Public accountability is central to this process.

In ethics and governance, accountability is answerability, blameworthiness, liability, and the expectation of account-giving. As in an aspect of governance, it has been central to discussions related to problems in the public sector in particular, while also being an aspect in non-profit and private and individual contexts. In leadership roles, accountability is the acknowledgment and assumption of responsibility for actions, products, decisions, and policies including the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report, explain and be answerable for resulting consequences.

As the public sector is dealing with public funds, one of the main responsibilities of any public entity or government employee is to be accountable to the people whom they serve showing that responsibility is taken for utilising funds in a clear and transparent manner, in accordance with legislated processes and professional standards.

The Public Audit Act, amended in 2019, empowers the Auditor-General to refer a material irregularity to another public body for investigation and take binding remedial action if her audit-report recommendations are not implemented.

A material irregularity is defined as any noncompliance with or contravention of legislation, as well as fraud, theft or a breach of a fiduciary duty that could result in material financial loss.

Where the public entity does not implement remedial action within the prescribed period, the audit office can issue a certificate of debt to recover the lost money from the accounting officers or authorities. As of the end of February 2021, the Office of the Auditor-General had discovered material irregularities in 146 audits, with 89 being in national and provincial government and 57 in local government.

In a recent media release it was made clear that the annual audit process for the 2020 audit was being completed and within those were 78 material irregularities for the Public Finance Management Act (PFMA) cycle arising from the audits conducted, and the value is about R5.8bn. These are being actively pursued because the Auditor-General wanted to target those public entities with long histories of irregular expenditure, those with the highest expenditure budgets and those directly involved in ser-

vice delivery. These included health and education departments and state-owned entities.

The Auditor-General has also conducted a special audit on COVID-19 relief schemes and found there were also material irregularities in these follow-up investigations.

Although the Office of the Auditor-General has been given significant powers to address material irregularities, there is a clear process to be followed before a matter is referred to a law-enforcement agency or a certificate of debt is issued.

Once an audit process identifies a material irregularity, the accounting officer is given 20 days to investigate and come back to the auditor-general on what was found and how it will be remedied. If the accounting officer doesn't do what was expected then then the matter is referred for investigation. It is at this stage that a notice of binding remedial action on what needs to happen to address the matter is issued. If this remedial action plan is not implemented, then the process escalates towards a certificate of debt being issued to the accounting officer. This is a clear sign that there has been a failure to act to address the issue identified.

As of the end of February, the Auditor-General, Tsakani Maluleke said her office had not been required to issue a certificate of debt yet. The corrective tool provided to her office has been found to be effective and most accounting officers were responding to the notifications issued regarding the material irregularities stipulating that the matter would be investigated. As public accountability means the obligation to answer publicly- to report, to an acceptable standard of answering, for the discharge of responsibilities that affect the public in important ways, this process allows for reporting for the responsibility conferred.

"We've actually got to drive the change in the system, we've got to trigger the right action, we've got to start dealing with the internal control problems that result in these weaknesses, the disciplinary issues that result in a culture of impunity, the law enforcement agencies taking action quickly so that people see and feel consequences,. For me, the most exciting piece of it is less about one material irregularity, and more about what it can do around behaviour change," Maluleke said in a recent Business Day interview. C

Sources:

- Business Day - 4 March 2021- Genevieve Quintal Political Editor quintalg@businesslive.co.za
- Wikipedia
- The Meaning Of Public Accountability Law

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THE LOCAL GOVERNMENT REVENUE MANAGEMENT IMPROVEMENT PROGRAMME

Municipalities in South Africa are experiencing an escalating amount of debt as a result of dismal revenue collection rates mainly by residential and business consumers. Consequently, this has rendered municipalities financially unsustainable in providing quality services to their respective communities, bringing them to the brink of collapse.

Aggregate municipal consumer debts amounted to R230.5 billion as at 31 December 2020 (compared to R181.5 billion reported in the second quarter of 2019/20). The largest component of municipal debt relates to the households which represents 72.2 per cent or R166.5 billion while organs of state accounts for 9.0 per cent or R20.7 billion (R13.2 billion reported in the second quarter of 2019/20) of the total outstanding debtors. The businesses sector owes 16.9 per cent or R39 billion of the total outstanding debt.

National Treasury On Release of the Local Government Revenue and Expenditure Report for the Second Quarter of 2020/21

The Programme has been designed to adequately capacitate Local Government Practitioners on the holistic revenue management value chain in an effort to address most of the critical issues affecting municipalities today.

PROGRAMME DETAILS

DATE	MASTER CLASS TOPIC	KEY POINTS TO BE COVERED
14 April 2021	Legislative Framework	a) Key sections in the Legislation b) Constitution c) MPRA d) MSA e) Prescription Act f) Insolvency Act g) Companies Act h) NCA i) CPA j) Leading Court Cases
21 April 2021	- Policy Determination - Institutional Capacity	a) Policy processes b) Policy Review c) Key Policy Elements d) By-Law
28 April 2021	Municipal Tariffs and Budgeting	a) Policy requirements b) Tariff Setting Principals c) Cash Flow
28 April 2021	Customer Data & Completeness	a) Property Details b) Personal Details c) Process to keep updated

WEBINAR TRAINING SCHEDULE 2021

PROGRAMME DETAILS		
DATE	**MASTER CLASS TOPIC**	**KEY POINTS TO BE COVERED**
12 May 2021	- Property Valuation Cycle - Objection and Appeals against GV and SVs	a) Legislation b) Role MEC and VAB c) Verication Roll d) Processes to make changes to categories
19 May 2021	Billing Process (Meter Reading; Recording; Processing; Dispatching (Post/eMails/SMSs); Mail Returns)	a) Billing periods b) Smart Metering c) Pre-paid metering d) Meter reading and Audits e) Email vs Postage f) Returned mail g) Exceptions reporting
26 May 2021	Customer Care & Management (Including Queries Management)	a) CRM b) CRM & Register
02 June 2021	Revenue Clearance Certificates	a) Section 118 (1) b) Section 118 (3) c) Insolvency d) Deceased Estate

PROGRAMME DETAILS		
DATE	**MASTER CLASS TOPIC**	**KEY POINTS TO BE COVERED**
09 June 2021	Credit Control Procedures	a) Strategy b) Collection approach c) Court rulings d) Business Rescue e) Write Off debt
23 June 2021	Effective Debt Management	a) People b) Policy c) Systems d) Government/Organs of State Debt e) Property Ownership Process
30 June 2021	Indigent Management	a) Constitutional/Legislated Requirements b) Policy Issues c) Identication d) Verication
07 July 2021	Section 32 Appeals/Disputes/Ombuds Query Resolution Process	Dispute Resolution processes

PLATFORM: Zoom Conferencing
DATE: Wednesdays (10am to 12pm) | Commencing 14 April 2021 to 07 July 2021
TO REGISTER: Complete registration details at https://zoom.us/webinar/register/WN_hAHVGx9_Tlmkq3morlkclw before Friday, 9 April 2021.
FOR QUERIES: Please contact Lindi Nolte at Lindi@cigfaro.co.za (011 394 0879) or Lindokuhle Tembe at Lindo@cfofoundation.org (031 582 6350)

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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 - Stmnt: 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 Qrtr	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 - Stmnt: 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

JUNE

(4TH QUARTER OF FINANCIAL YEAR)

NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
2	Details of a new bank accounts	MFMA 9(a)	90 Days after opening	Accounting Officer	Prov Treas, AG
3	Banking details of all mun bank accounts	MFMA 9(b)	Annually, May/June	Accounting Officer	Prov Treas, AG
4	Exceedance of the Capital Budget	MFMA 31	Promptly	Mun Manager	Prov Treas, AG
5	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
6	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
7	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Counc, MEC (Loc Govt)
8	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
9	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
10	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
11	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
12	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
13	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
14	Entity - details of a all bank accounts	MFMA 86(1)(b)	Annually, May/June	Entity Acc Officer	Acc Officer of parent Mun
15	Submit info re entity banking details	MFMA 86(2)	Upon Receipt	Accounting Officer	Nat Treas, Prov Treas, AG
16	Entity - Stmnt: 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

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

Founded in 2005, Ntiyiso Consulting is an authentically African and globally wired management consulting firm that seeks to empower institutions that enable Africa's development. Ntiyiso Consulting helps improve cash positions of large and medium-sized municipalities; turns around or improves the revenue, profitability or social mandate performance of large and medium organisations; and unlocks economic opportunities on behalf of communities and regions. We deliver sustainable and evidence-based solutions through three subsidiaries, viz. Ntiyiso Revenue Consulting, Ntiyiso Business Consulting and Ntiyiso Industrialisation Consulting. Ntiyiso means 'TRUTH' in Xitsonga. Ntiyiso Consulting is, therefore, naturally inclined to deliver the most trusted solutions to its clients.

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