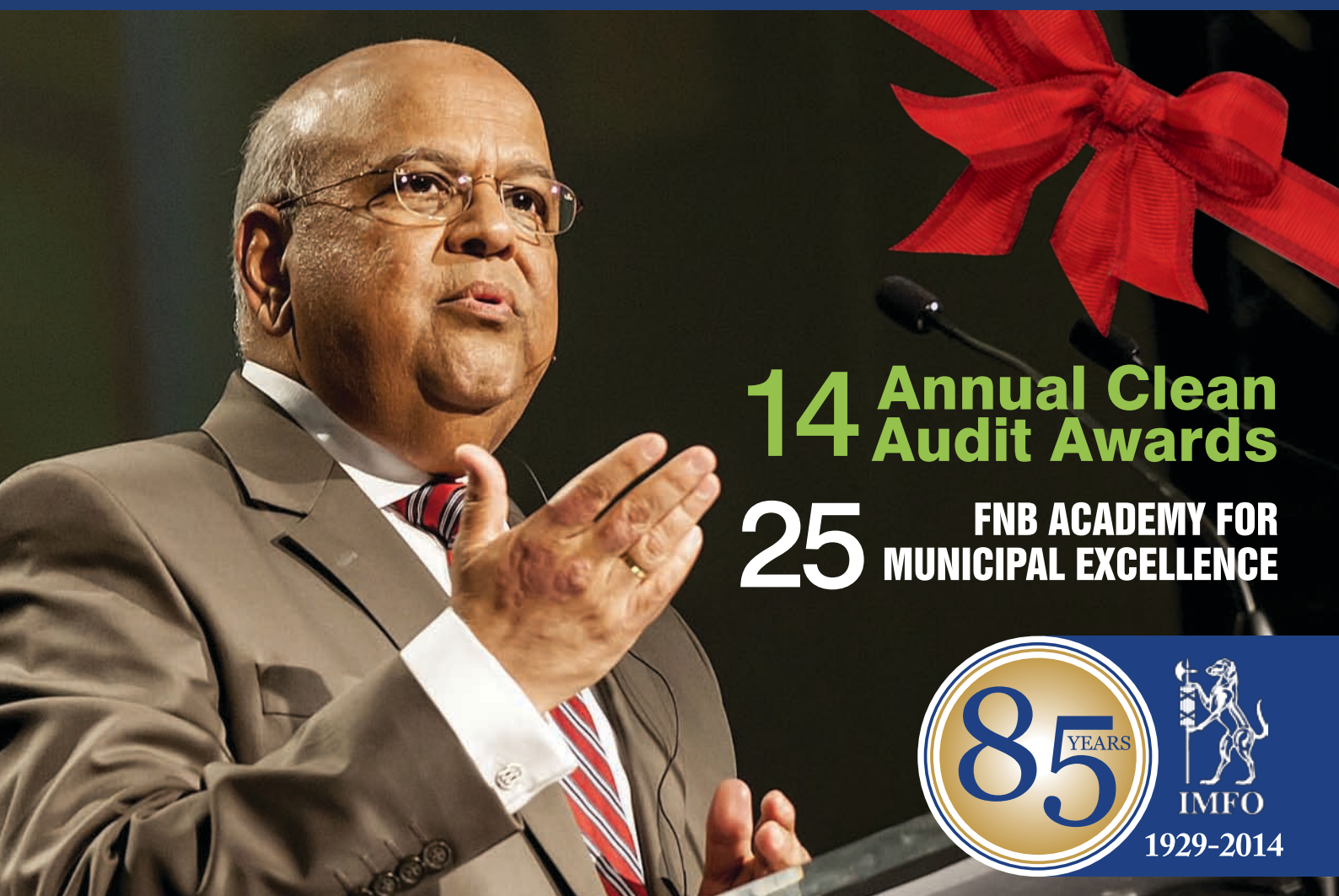


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IMFO



OFFICIAL JOURNAL OF THE INSTITUTE OF MUNICIPAL FINANCE OFFICERS



**14 Annual Clean
Audit Awards**

**25 FNB ACADEMY FOR
MUNICIPAL EXCELLENCE**



1929-2014

**Keynote Address by
Minister Pravin Gordhan** **8**

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Women

IN LOCAL GOVERNMENT



IMFO

INSTITUTE OF MUNICIPAL FINANCE OFFICERS



VENUE: PORT ELIZABETH | DATES: 5-6 MARCH 2015

Contact: Seba Ngwana 011 394 0879 or seban@imfo.co.za



This issue is a special edition as it gives the Communication intern an opportunity to compile and publish a journal. It is a fresh eye view of how young talent can add to the institute. It is also an opportunity to thank all who continue to support the journal with fresh new ideas and we hope you have a well rested holiday and a prosperous New Year.

Ciao!



LIKE OUR FORMER PRESIDENT MENTIONED IN ONE OF HER SPEECHES - IMFO IS 85 AND ALIVE.

In this issue you will be pleased to find some of the wisdom that was shared at the conference from some of our speakers throughout the three days of the conference. We believe all our delegates have gained valuable information during the conference as IMFO continues to promote municipal finance, audit, risks and performance in public sectors.

Another year and another success we have achieved, we thank all those who have contributed to our success. Our warmest gratitude goes to our exhibitors for their continued support throughout the years and the past and present Board Members. Thank you all for your support. As we are almost at the end of this year, may you all have a safe one, till we meet again on the next issue. ①

Ciao for now, Esther!

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CONTENTS

- 8 The Keynote Address - by Minister Pravin Gordhan
- 12 Introducing our New President
- 14 Clean Audit Awards - Criteria
- 16 The objectives of the 2015 Budget - by Ulrike Rwida - Treasury
- 18 The Importance of Institutional Governance for Municipal Service Delivery - by Riaan Visser, Director: Governance, Ducharme Consulting
- 22 Seven Deadly Sins of Internal Audit - by Jane Masite - IMFO President
- 24 Good Governance the key to the fight against National Poverty
- 25 FNB Academy for Municipal Excellence
- 26 An Audit incident that happened outside of the Four Corners of the Cashbook - by Brian Young
- 40 Are you an IMFO Member? by Louise Muller, City of Cape Town

REGULARS

- 42 LEGAL Corner
- 5 Foreword from the IMFO President
- 7 From the Desk of the CEO
- 46 New Members
- 47 Membership Details Update
- 48 MFMA Requirements

IN AND AROUND IMFO

- 28 IMFO Training
- 29 Gallery
 - 29 Conference Speakers
 - 32 Delegates
 - 34 Clean Audit Awards - Winners
- 38 Newsclips
- 51 Special Thanks to all Exhibitors

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Keep going. **Prosper.**

Member of



Foreword from the IMFO President



Members, colleagues and friends, I receive the baton to lead IMFO on the occasion of its 85th birthday.

I am proud to have witnessed the rigor and commitment by the Institute to accelerate transformation, in its leadership composition, organizational culture, systems and practices including the extension of its scope to incorporate the related professions of Public Sector Risk, Audit and Performance Management since joining IMFO as Associate member 21 years ago.

The road ahead for the President is a challenging one; the professional appetite of the institute has set for itself is huge. It is all hands on deck for all the institute board members and staff to commit and work together with the Presidency of IMFO.

Members can look forward to several mini technical conferences and seminars that will be held to focus on key areas of need for our practitioners. This will contribute to the continuous professional development of our members. Ethics training will be mandatory for our members in order to retain membership of IMFO going forward. This new requirement will help combat corruptive and unethical practices in the membership with the sector. Workshops for 2015 will be focusing on Women in Local Government, Audit, Risk and PMS, Public Sector ICT, Oversight MPAC and Municipal Audit Committee. A variety of technical seminars will be held in all provinces as part of the IMFO provincial branch activities. Contact the office for further details on the branch activity calendar.

The changes in the institutional arrangements of IMFO necessitated by the new memorandum of Incorporation (MoI) and the approved board charter empowers the board to put measures in place to take IMFO forward. The charter amongst other compliance measures has set out clear responsibilities of the Presidency, the President and the Vice Presidents. The following measures will be put in place

- Performance Plans will be introduced for committees
- Performance Plans for Management and Staff
- Realignment of the Organogram to the Strategy
- Enhancing and refocusing IMFO research efforts
- The AGM approved the building of the new offices
- The extension scope to cover other spheres of government
- The name change and new corporate identity
- Identifying new sources of funding and new funding opportunities
- Membership drive and IMFO marketing campaigns

Local and International partners have been engaged with the appropriate training and rollout of new qualifications for the sector as a SAQA accredited body. The role of banks, institutions, other statutory bodies sharing common interest with IMFO will be further strengthened. The review of current relations with COGTA and National Treasury and SALGA will be taken to a higher level with memorandum of cooperation which enables IMFO to respond to the demand of government to professionalize local government.

It is encouraging to learn of the government's preparedness to reconsider reinstating the statutory recognition of IMFO, which recognition was revoked with the repeal of the Municipal Accountancy Act 21 of 1988, albeit in a different format owing to the changed operating environment for the accounting and related professions.

All these measures IMFO is putting in place will contribute to the effective and efficient service delivery efforts.

"It is in your hands to create a better world for all who live in it" Nelson Mandela.

Together we can! ①

JANE MASITE
IMFO PRESIDENT



A CLEAR VIEW OF GOVERNANCE, RISK AND COMPLIANCE

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From the DESK of the CEO



It is that time of the year again when most of us feel more energised as we draw closer to the end of the year. However, some will disagree with me as they feel exhausted and just cannot wait to go on holiday and spend quality time with their families. Either way, this is the time of the year that we all find time to reflect on the many things that happened during this year. We begin to build up hopes and start thinking about improving our lives and the lives of those around us. More often, we think of a fresh start to the new year and the many opportunities that are just around the corner.

At IMFO, we are still reflecting on an eventful 2014, the many things we did for our members and the sector in general. We had a very good year and saw constant growth within the Institute in many ways. We continued to strive for the best and delivered a very successful Audit and Risk Indaba to our members. We did not fail to present various capacity building programmes and workshops that not only benefited our members but all practitioners who took part in those programmes.

It is difficult to say something about IMFO and not mention anything about its Annual Conference. I will not say a lot about it this year but I would like to mention just one thing that was one of the highlights for IMFO and its members. The message delivered by Minister Pravin Gordhan was not only profound but got many of us thinking deeply about the state of local government and what we need to

do to rapidly turn the corner. One of the most important points for us as a professional body was the possibility of the re-instatement of the statutory recognition for IMFO. We have always undertaken that IMFO has a huge role to play in professionalising local government and improving financial management and good governance. We were very encouraged by the words of the Minister and have started engaging with the Department since then.

20 years of democracy bears the fruit to a South Africa which has gone through many changes, IMFO too has transformed over the years as we welcome our third female president into the Institute. I am not mentioning this because it's the most relevant thing to say these days particularly in a country that has been adversely affected by an unpleasant system that did not recognise the role played by some in the development of our country. I am mentioning this because it is an important part in the journey of IMFO which has been in existence for almost 100 years. We wish our new President Ms J.S Masite all of the best and look forward to achieving greater prospects in the future. I would also like to welcome all the new Board members to IMFO and thank them for availing themselves for the difficult yet fulfilling role of leading a prominent professional body in making a difference.

I would like to also express gratitude to the previous President of the institute, the Board members as well as the leadership that was and is still behind the success of IMFO. As per the culture of this piece, I would like to thank all of our members for their support. It makes IMFO so proud to do what we do. To our sponsors and exhibitors attending our events, we thank you and appreciate your continued support. To all our stakeholders, we are also grateful and thank you for working with us for the greater good of our country. To all the readers of the IMFO Journal, I wish you all happy holidays.

Kind Regards 📧

MR PR MNISI
CHIEF EXECUTIVE OFFICER

Keynote Address by Minister Pravin Gordhan

Minister of Cooperative Governance and Traditional Affairs at the 85th IMFO Annual Conference, CTICC, 6 October 2014



Good Governance - The Long Walk

IMFO is an important partner in the local government industry, it has played a crucial role throughout, and of course financial officers in the private sector or in the public sector are important partners in any decision making process. They are the people who generally are able to say to decision makers; you can afford this, you can't afford that, not that everybody listens all the time. Nonetheless; you are also the people who determine whether a very important sphere in South Africa's three sphere governmental system has capability to continue to be resilient and sustainable or not.

So congratulations to IMFO as an organisation and those of you that are members of IMFO on the excellent work that you have done over a long period of time; but in particular the pioneering work that you have done since 1994 changing some 1200 so called municipalities that were racially biased to the 278 municipalities that we have today is a formidable task. Implementing the various pieces of legislation; let alone the new framework in the constitution which I will point out in a moment is also a formidable achievement.

So just to keep you awake, and to acknowledge your own contributions towards creating this kind of foundation, can I ask that you to applaud yourself.

Ladies and Gentlemen 20 years is also an appropriate time for us to reflect, to re-orientate ourselves to the new realities that confront us and perhaps to reenergise and rededicate ourselves to the mission that all of us face over the next 10 to 20 years in taking municipalities and the local government sphere into the next leg of its journey.

The theme of your conference "Good Governance the Long Walk" evokes memories of the late President Nelson Mandela

and the example that he set when he talked about his long walk to freedom. His long walk was a life of principle above experience, a life of self sacrifice above personal benefit. It was a life of bold and action orientated leadership rather than one which evaded responsibility and the key challenges that he faced in his journey.

Those of us who aspire to walk in the footprints of his long walk are required to demonstrate the same sense of principle when we operate within the institutions of governance. The same approach to sacrifice; where we say that people must benefit from public expenditure and not ourselves, friends or relatives. We would also exercise the same bold leadership when we have to take the decisions that will enhance local development and not vacillate with questions of good governance are confronting us.

President Mandela believed and I quote "What counts in life is not a mere fact that we have lived; it is what difference we have made to the lives of others that will determine the significance of the life we lead" end of quote.

As many of the speakers before me pointed out, if you really want to make a difference to the lives of ordinary South Africans, 51 million of them and many visitors that we have from across the borders of South Africa; then Local Government is certainly the sphere where if we commit ourselves to doing the right thing and commit ourselves to be single minded in making a difference in the lives of people, we can certainly do that. So as we reflect on 20 years of democracy in South Africa, we should also challenge ourselves to answer to the challenges that Mr. Mandela's quotation puts to us. What difference have we made to the lives of citizens in the past 5 years, the last 10 years, and the last 20 years? But perhaps most importantly, what difference do we intend to make over the next 5, 10, 20 years?

The proposition that I put to you today is that while the walk to good governance might well be long and I hope that this title is not going to actually tell us we are not ready for x and y and z cause the walk is a long walk. The point that I want to put to you is that daily we have choices before us; which if we make the correct decisions on, could significantly shorten the long walk and the choice is going to be ours. If we delay the right decisions; the walk is going to be long, if we make the decisions; the walk is not only going to be long, and it is going to be difficult.

And so as we are all decision makers; whether we are Councillors, whether we are Mayors, whether we are CFOs, whether we are Municipal Managers or office bearers in organisations relevant to Local Government; we are decision makers. We have to decide like President Mandela what is the right thing to do in the circumstances in which we find ourselves; but more importantly, what is the right thing to do in respect of the people we are required to serve?

You are guardians ladies and gentlemen of some 300 to 320 billion Rands a year; that money lies in your hands. We make decisions together with others of how to spend the 100s of billions of Rands of public funds. This is the money given to us by the tax payers, rate payers and citizens generally in spending in their interest and for their interest.

When we look at Local Government in South Africa, we are indeed unique. We are unique because we are one of the few countries in the world; certainly in 1996 were probably the only country in the world that entrenched Local Governance and Local Government in the Constitution, Chapter 7. We also in that Chapter, created the foundation for the basic mission that we wanted to assign to Local Government. And the mission that we assign to Local Government just to remind you is:

- providing democratic and accountable service for all communities;
- to be responsible to the needs of local communities;
- ensuring the provision of services to communities in a sustainable manner;
- promoting social and economic development;
- promoting a safe and healthy environment;
- encouraging involvement of communities and community organisations in the matters of local government and facilitating a culture of public service and accountability amongst others.

Sometime soon as I was saying to some of the leaders of IMFO during the break; it will be useful to undertake an audit of ourselves in respect of these elements that are in the Constitution. How have we achieved and there is no doubt we have achieved a lot in the last 20 years. But in doing so, what are the challenges we are faced by ourselves, like not doing the right thing sometimes?

In Section 153 of the Constitution, the Constitution says and I quote “A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community and to promote social and economic development of the community and participate in national and provincial development programs”, end of quote. So ours, ladies and gentlemen, is the responsibility as the preamble of the Constitution says and I quote “Improve the quality of life for all citizens and free the potential of each person” end of quote.

I know that the most of you and much of your programmes for the next day or two is about the technical aspect of financial management. But as many will remind you in today’s terms that technical technicalities fit within some structural framework and that structural framework for us is about development, is about citizens leading a better quality of life as the preamble says.

Above all is ensuring that in time, no child in South Africa must grow up in an environment with a sewage passing their home. No child in South Africa should be playing in mud in our environment. Do you agree?

That’s the commitment that we want. No children must grow up differently from the children that have grown up like ourselves in the past decade or 2. And if we make that collective commitment and use that as our singular focus for everything that we do within the municipal terrain; we have both the resources and the capability I believe, to make a huge difference in the ordinary people’s lives. The choice as I said earlier is ours.

We can either ignore ordinary people; we can either make life miserable for them or we can make life better for them; the choice is ours. And depending on the choices that we make, we both influence the kind of reputation that get Financial Managers. I worked as a Financial Manager for the last 5 years so I know what it is to manage expectations and make sure that the country spends about a trillion rand properly. You have similar responsibilities within your domain.

As a reminder; it is in the municipal areas where our citizens and people work, where they live and socialise. This is a process of eradicating injustices, dealing with the divisions and improving the quality of life; where democracy, social justice and human rights become concrete and meaningful to the lives of South Africans. Over and above Chapters 7 of the Constitution, we also have Chapter 2 in the Constitution. I wonder if I ask each one of you to take a piece of paper and write down what is the title of Chapter 2. The Bill of Rights. Those Bill Of Rights are not only theoretical; the Bill of Rights are there in order that you and I and many others make those rights a reality in peoples’ lives. In the way in which we spend the hundreds of billions of Rands that municipalities that have access to and of cause all of us want more. I’ll come back to that in a moment. We can either make a difference in terms of making those rights a reality or we leave them as theoretical constructs.

We also have Ladies and Gentlemen, the National Development Plan now enjoying a fair amount of consensus in the country, in fact overwhelming consensus as our programme envisaged for the next 20 years for South Africa. In the National Development Plan, it concretises the many objectives that we strive to achieve as those operating within the Local Government sphere. That of building a capable state; as the speaker before me has pointed out; crucial to a capable state is a capable municipality, crucial to a capable municipality is well managed finances.

So building a capable state of which mission you are very much part of; is a crucial objective for now and for the next 20 years to come. Secondly; investing in Social and Economic infrastructure, where we put up housing, where we construct schools and clinics and where we create job opportunities for micro, small and large business to invest and grow makes a huge difference to the way in which our economy grows but more importantly to the way in which our people participate in the economy. Thirdly the way we manage urbanisation and keep the balance within rural development and proactive urban planning. Fourthly, the way we overcome spatial segregation and spatial disparity that South Africa inherited pre 1994 which it has been pointed out

Keynote Address by Minister Pravin Gordhan

Minister of Cooperative Governance and Traditional Affairs at the 85th IMFO Annual Conference, CTICC, 6 October 2014

that we are often replicating rather than removing. And fifth; an important element in the NDP is reducing the cost of living; these long distances that we talk about and the kind of expenses that people have to pay out of their pockets for transport from home to work and back increases immensely the cost of living for South Africans. It also reduces their productivity, it reduces their family time and it means more time is spent in one or other form of public transport than either with family or productivity line.

We must also look at the challenges of the long walk in the context of economic realities of the present. As CFOs and leaders who make financial decisions; we need to be very mindful of the constantly fluctuating and yet systematically declining economic environment in which we find ourselves. The globe today; and its interesting while we are sitting here, in a few days time there will be the annual meeting of the IMF and the World bank were once again the IMF is going to tell the world we are reducing the growth targets of the world; we reducing the growth targets of a significant number of emerging economy. We are unable to say that Europe will actually recover in the near future or Japan for that matter. They are able to say that the United States is showing reduced growth in the economy. The Minister of Finance when he delivers the MTPBS on the 22nd of October will give you the final verdict on this; that South Africa's growth numbers are going to be lower than 2.7% that we thought it would be in February 2014.

So as CFO and leaders within the municipal sphere it is important to understand what is this global environment? What are the challenges that it's posing to growth, to exclusivity to reducing inequality but also creating job opportunities for millions of young people across the world in both the developed and developing part of the world.

One of the biggest crises in the world that is emerging today; if you look at a guardian article, the London guardian, probably 2-3 days ago talks about the singular focus which the world is applying themselves to in terms of growing inequality. Also if you look at the Economist which was published last Friday; for the Economist which is a conservative newspaper to say that capitalism is moving in a direction where firstly, there are these huge inequalities, secondly its moving in the direction where jobs as they were created over the last 50 to a 100 years are not going to be created in the same form in the next 50 years.

So, different answers need to be found to question of jobs, of livelihood, the role of the state and the role of the private sector. It's a challenging time; as some of the earlier speakers have pointed out as well in terms of how people earn their income and what do the private sector or the public sector do to reduce inequality particularly in the South African context where we come with routed inequalities in ourselves. Our own fiscal environment which the Minister of Finance will also spell out in his MTPBS on the 22nd October is also going to be a constrain. Low Economic growth as you know and lower revenue. We

also know that within the municipality sphere there are huge challenges that people who are stretched by the administrative prices on the one hand, by indebtedness on the other hand, by the commitments to micro lenders and others. That they are having difficulty in meeting the bills that they need to pay. So understanding this context is quite crucial to understanding how we actually manage municipal finances:

- a) Within the micro context
- b) Also within the macro context

As they have said before me; we should certainly celebrate the fact that in 20 years of democracy we have probably have done more in service delivery and the numbers were spelled out to you earlier on than probably any other county in the world. In 14 years of Local Government and the kind of transformation that local government has undertaken; both in the statutory terms but also in organisational and delivery terms is also a phenomenal achievement.

So in 14 years we have established a new legislative and regulatory framework; we have established the core of the financial management system; we have understood what the competencies that we require are - something I'm sure you are going to be debating a lot in the next 2 days and fourthly we've worked out how to report regularly; even though some of us might slip up in that particular regard.

Today we probably have better figures in terms of what happen within our governmental financial system than most other countries around the world. And that is why South Africa is at either first or second in terms of budget transparency globally and has been there for the last 5 years or so. Now again to keep you awake applaud for that.

There's been fifthly, a steady improvement in audit outcomes although not yet satisfactory; the establishment of municipal public accounts committees shows commitment. But we also know that politicians and others who don't want to be subjected to this kind of accountability can strap your hand back because they don't like that; and we know that if some of you had a chance you would raise that as a complaint as well. So having them is good but being able to strap them at will is not good; therefore that does not mean we have the right kind of accountability in South Africa.

There's a steady improvement in the level of vacancies for Chief Financial Officers, but this is a very small improvement. One of the regrettable things about today; let's assume all the 278 municipalities are represented by the CFOs in one form or another in this session this morning. The regrettable numbers that I have some 170 of 278 don't have the right qualifications. Can I repeat that? 170 of 278 don't have the right qualifications in this room; that is not a good thing. Do you agree with that? So some of the things that we want to do as CoGTA together with National Treasury and IMFO is to change that.

When I finish speaking here. I'm going to ask you to agree to about 10 things. 1 of those 10 things is that 170 must be reduced to 20 or nothing. I'm sure that none of us want the reputation; either as an institution or as an individual that more than half 60% or 70% of the people who are managing 300 odd billion Rand don't have the right qualifications and competencies. Is that what you want to tell the public? Is that how we are going to land the confidence of the public? So we better work hard and work with a far greater sense urgency than we have at changing the picture or we may have to find legislative means to actually change the picture; but we count your cooperation to change the picture.

So amongst the challenges that we face ladies and gentlemen, when we undertook the exercise as the new administration came into office of reviewing every municipality is South Africa which is what led to the concept of Back to Basics. The challenge that we face is that of the 278 municipalities; a third of the municipalities are dysfunctional some of you who are used to medical will say they are in "Intensive Care Unit" and it's no laughing matter to say that 80 to 90 municipalities are in serious dysfunctional state.

So when you meet as here as IMFO a third of your constituency is in serious trouble and the conversations I've said to the leadership of IMFO that we want to have with you in the next 2 weeks or so is what are we together going to do about this? How are we going to get back a third out of ICU not to the grave, to the next category?

This is the next category which is a third of municipalities; these are barely functional but if we do the right thing those can become better operating municipalities and our ambition, a burning ambition should be we want that third not slip into the last. And a third of our municipalities is doing reasonably well.

So our collective aim for people who are passionate about local government; who want to see this sphere play its rightful role and do the things that it's required to do by the Constitution: must be that we don't want any dysfunctional municipalities in the next year or year and a half and that is a commitment that we must make jointly. It's going to take hard work, tough decisions and it's going to take a commitment that each of ourselves must be willing to improve the capabilities that we have in order that we can meet the kind of targets that we are setting for ourselves.

That same review of municipalities also says that we have in a significant number of municipalities with serious cases of corruption; of Councils that don't meet regularly; where there is no constructive community engagement and participation; where there is poor financial management even to the point where we can't put the financial statement together to give the Auditor General, we have to call in consultants to do that.

If I remember, the AG said to me, that 600 to 700 million Rand is spent on consultants whilst at the same time a couple of 100 million rand is used to pay the people who are supposed

to prepare those financial statements. That can't be a healthy environment, we are spending twice the money for a lousy product because at the end of the day you still don't get an unqualified report. Do you understand what I'm saying? Are we satisfied with that?

So whilst we have the success and the good progress, we also today have to focus on the harsh reality of some of the challenges that we face and make a commitment to overcoming the challenges. This is not about point scoring, this is about saying: face the reality for what it is, in order that if we understand that reality, we can collectively make a commitment to change that reality for the better. That's the contract that we need amongst ourselves, within Government and more importantly with the public that we serve.

Coming back to the 10 things I spoke to above: I would like to leave IMFO, this conference and all of you with the following challenges; to make a notable improvement over the next year and a half in the following areas:

1. Getting the billing systems right
2. Collection systems and compliance culture
3. Credibility or legitimacy of local government entities
4. Service culture – no more long queues and answering machines.
5. Eliminate disclaimers
6. Reduce irregular expenditure
7. Revenue protection – the legitimacy of municipal revenue
8. Fraud and corruption – let's remove the stain / stink and take pride
9. We want to support you in formalising IMFO into a statutory body
10. Universal implementation of financial governance – Embrace Back to Basics in all 278 municipalities and their respective entities.

Programme Director, in conclusion, I want to echo the words of Pope Francis – I'm not Catholic but I listen to what they have to say - that "every man, every woman who has to take up the service of government, must ask themselves two questions: *Do I love my people in order to serve them better? Am I humble and do I listen to everybody, to diverse opinions in order to choose the best path?*"

The higher purpose of the long walk to freedom and bold leadership must triumph and translate into a long walk to sustainable municipalities. Let us stand up for our rights:

- The right to integrity
- The right to proper use of public funds
- The right to speak truth to power and not be fired
- And the right to value for money.

Thank you. 🗨️

MINISTER PRAVIN GORDHAN

INTRODUCING OUR NEW PRESIDENT

Ms. JANE MASITE: PRESIDENT OF IMFO-2014-2016

IMFO IS PROUD TO ANNOUNCE THE ELECTION OF MS. JANE MASITE TO THE POSITION OF PRESIDENT OF THE INSTITUTE OF MUNICIPAL FINANCE OFFICERS (hereinafter referred to as IMFO) for the term of office 2014 to 2016. In the history of the IMFO which extends over the last 85 years, Ms. Masite is only the third woman and the first Black woman has ascended to the position of President in this organization. As a matter of fact the IMFO membership has a lot of faith in Ms. Masite's abilities that she was elected totally unopposed. The IMFO Board would like to extend their support and congratulations to her.

Ms. Masite, is a Certified Fraud Examiner and holds a B.Com Degree, Certificate in Municipal Finance, Certificate in Forensic Investigation, she is also as a Qualified Assessor and IIA External Quality Assuror.

Ms. Masite is currently employed as Deputy Municipal Manager (Chief Audit Executive) for Emfuleni Local Municipality. She has extensive external audit, internal audit, corporate governance and risk management experience, having previously worked for the Auditor General of South Africa (AGSA) for a number of years.

She has served IMFO for 13 years in different capacities and as the erstwhile chairperson of the North West branch. One of her highlights at IMFO was to establish the Audit and Risk Chapter. This has culminated in the chapter influencing IMFO's strategic thrust, to refocus its objective to thus incorporate the related professions that contributes to good governance, Audit, Risk and performance management in the municipal sector.

She has worked in several municipalities as a chief audit executive at metro, local and district level. Her contributions towards clean governance and administration in those municipalities contributed towards achievement and sustenance of unqualified audit opinions.

One of the highlights in her chosen career path was the establishment of a shared internal audit services at Central District Municipality. Through her intense love and passion for her profession, Ms. Masite single handedly introduced the Internal Audit Learner ship Program in collaboration with the Institute of Internal Auditors (SA) and LGSETA, this being the first of its kind then. Jane has received several national and international awards including two merit awards from IMFO. She was also nominated for an award of Certified Fraud Examiner of the year in 2008, a prestigious international award.

She served on many committees as a board member, audit committee member and chairperson, including being the first Regional Governor for North West Province – Institute of Internal Auditors Chapter.

Ms. Masite is currently a member of several institutions including: Institute of Internal Auditors, Institute of Municipal Finance Officers, Association of Certified Fraud Examiners (Local and International Chapters) and Institute of Local Government Management and compliance institute SA.

Ms. Masite delivered several papers at various conferences locally and internationally including the recent 9th Audit Risk Governance Conferences in Livingstone Zambia.

As can be seen from the above short expose Ms. Masite is a well-qualified and extremely capable person, her track record speaks for itself, Her experience in the local government field is diverse and extensive, she is equipped to tackle this new challenge with ease and drive it to a fruitful and successful conclusion for the IMFO Board and all those who have placed their faith in her, yes the IMFO membership.

In recent times where local government is facing severe challenges she is just the right person to steer the IMFO ship through the stormy seas of poor ethics, demands for increased governance and the desire to achieve professional status for IMFO as a professional body to mention a few amongst other issues. The challenges of the construction of the new IMFO building looms large on the horizon and Ms. Masite as the captain of the ship is the best suited person to drive this process through stormy seas and dock the IMFO ship safely at 28 Fortress Street.

Never before has an IMFO President had to deal with the so many issues facing the current incumbent, these challenges include the most capital intensive project ever attempted by IMFO, The personnel increase in the secretariat that will be seeing many more activities before carried out in house by IMFO that were previously out sourced. Stakeholders who are demanding more than ever from IMFO like the Department of Co-operative Government and Traditional Affairs and the National Treasury. The SCOA project and rollout thereof is going to place a strain on IMFO's ability to provide guidance and assistance to municipalities and ICT Service Providers who may call on IMFO for assistance. IMFO must under the President's leadership retain its status as a professional body in order to comply with SAQA's stringent requirements and regular inspections.

Further she said at her acceptance speech "The heat is on, Not just temperature wise, but in what professional bodies must do, to remain relevant in today's ever changing business environment. IMFO's walk has been a long one, since changing its name from institute of municipal treasurers and accountants (IMTA), almost twenty years ago. As we enter in to the new era based on current challenges, once more IMFO will have to reposition itself, refocused on meeting the challenges, and expectations of the fast changing local government environment. 📌



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ANNUAL CLEAN AUDIT AWARD

INDIVIDUAL

1. **INTERNAL AUDITOR OF THE YEAR (FLOATING TROPHY & SMALL INDIVIDUAL TROPHY WITH CERTIFICATE)**
 - Introduced innovative ways of adding value to the organization.
 - Significant contribution towards OPCA (AG & IA recommendations).
 - Independent and objectivity of IA.
 - Demonstrate the relationship between the auditor and the client.
 - Contribution on performance management information which enhances service delivery.
2. **RISK OFFICER OF THE YEAR (FLOATING TROPHY AND SMALL INDIVIDUAL TROPHY WITH CERTIFICATE)**
 - Introduced innovative ways of adding value to the organization.
 - Significant contribution towards developing risk management framework and policies.
 - Demonstrate their contribution towards input on the risk based audit plan.
 - Establish the functional risk department which is supported by management through risk champions
 - Submission of risk maturity level determined by NT evaluation.
3. **PERFORMANCE SPECIALIST/MANAGER OF THE YEAR (FLOATING TROPHY & SMALL INDIVIDUAL TROPHY WITH CERTIFICATE)**
 - Introduced innovative ways of adding value to the organization.
 - Demonstrate their contribution towards input on performance management framework and policies.
 - Submit the quarterly reports approved by Council.
 - Demonstrate the way the handle their annual report processes and IDP (Framework or process plan).
 - Demonstrate that they support management and performance audit committee.



ORGANISATION

4. MUNICIPALITIES (FLOATING TROPHY AND CERTIFICATE)

4.1 Municipalities that have established functional internal audit units

- CAE must be appointed as a Section 56 employee or level 2.
- Participates at senior management meetings.
- Attends Mayoral Committee and Council meetings.
- Council approved Audit Committee Charter.
- 85% to 90% implementation of internal audit recommendations.

4.2 Municipalities that have established functional risk units

- Chief Risk Officer must be appointed as a Section 56 employee or at least level 1 to 3
- Participates at senior management meetings
- Attends Mayoral Committee and Council meetings
- Approved Risk Management Charter
- Has a functional Risk Management Committee with an independent Chairperson

4.3 Municipalities that have established functional performance management units

- Performance Management Specialized/Manager must be appointed at least level 1 to 3.
- Participate at senior management meetings.
- Attends Mayoral Committee and Council meetings.
- Has a functional Performance Audit Committee.
- Must have a council approved performance management framework and policy.
- Must have quarterly performance management reports submitted timeously to Council.

5. PROVINCIAL COGTA AND/OR TREASURY (FLOATING TROPHY AND CERTIFICATE)

- Provincial departments that supports Internal Audit, Risk and Performance Management efforts.
(Example: meetings of forums, attendance of audit committee meetings)
- Provincial departments that have functional (Premier's -Provincial Coordinating Committee that supports OPCA processes.
- Provincial departments that attends and supports OPCA Steering Committee meetings of Municipalities.
- Provincial departments that have established co-operation with IMFO in terms of OPCA processes



The objectives of the 2015 Budget

By Ulrike Rwida - Treasury



South Africa's budget exceeds one thousand billion rand. The budget continues to be informed by the assessment of macro-economic environment and the fiscal policy framework that has served previous budgets. Government faces an extremely tight fiscal environment and expenditure over the 2015 MTEF will be well contained. Poor economic growth performance, rising interest rates and higher levels of inflation place additional pressure on government's fiscal programme, which seeks to stabilise the growth of debt and restore fiscal sustainability.

The objectives of the 2015 Budget include:

- Fiscal sustainability: achieving an appropriate balance between revenue and expenditure, the debt level and other fiscal aggregates in a manner that promotes economic stability over the economic cycle and ensures a sustainable fiscal position in the medium to long term.
- Allocative efficiency: achieving an allocation of resources that reflects the priorities of government on the basis of evidence of programme effectiveness.
- Value for money: promoting the provision of public services, through a process that contributes to achieving economy, efficiency and effectiveness, while being cognisant of the quality and accessibility of services.

Over the next three years government seeks to:

- Focus expenditure on programmes and projects which

are aligned with the policy objectives of government, including those set out in the National Development Plan and the 2014-2019 Medium Term Strategic Framework.

- Contain consumption expenditure including compensation budgets, and direct a greater share of resources towards infrastructure spending.
- Contain expenditure on non-essential items such as travel, catering, consultants and general administration in line with the 2013/14 National Treasury Instruction 01 on Cost Containment Measures, and allocate a greater share of goods and services budgets towards core areas of service delivery.

The 2015 Budget will not provide additional funding to the 2014 MTEF spending trajectory. Expenditure for 2015/16 and 2016/17 will be kept within the aggregate ceiling established in the last budget. The new outer year of the 2015 MTEF, 2017/18, has been determined by applying a projected Consumer Price Index (CPI) inflation adjustment to the 2016/17 budget.

Given the fiscal environment, resources on current baselines should be reallocated from activities that are no longer policy priorities, towards the more urgent priorities defined in the National Development Plan and the 2014-2019 Medium Term Strategic Framework. To this end, institutions should assess the possibilities for closing down programmes and projects that are no longer key priorities of government.

Emphasis should also be placed on improvements to spending efficiency and effectiveness.

Opportunities to expand and improve service delivery will largely need to be financed from within existing allocations. Hence, institutions should identify resources within their baselines from areas of under- performance or insufficient alignment with high level government priorities. ❶



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African Power Forum

The Importance of Institutional Governance for Municipal Service Delivery

By Riaan Visser, Director: Governance, Ducharme Consulting

(Article based on a presentation at the Workshop of the Eastern Cape Branch of IMFO in Port Elizabeth on 5 September 2013)

INTRODUCTION

Since the release of the King Report on Governance for South Africa in 2009, together with the King Code of Governance Principles, it is not clear whether much have been achieved by municipalities in applying those principles of King III. As far as the King Code of 2009 is concerned, it applies to all entities in the public or non-profit sectors however it must be noted that the Council must adopt the King code for it to be implemented. In principle compliance with the provisions of the Municipal Finance Management Act (MFMA) 56 of 2003 and some of the provisions of the Municipal Structures Act 117 of 1998 and Municipal Systems Act 32 of 2000 should have established many of the governance practices in municipalities and the challenge is now to assess what changes are needed to instil a governance culture in this sector. Since municipalities are not private sector or corporate entities the term “institutional governance” rather than “corporate governance” will be used.

THE MEANING OF INSTITUTIONAL GOVERNANCE

It is important to keep in mind that good institutional (corporate) governance is essentially about effective leadership characterised by ethical values of responsibility, accountability, fairness and transparency. Senior managers of municipalities should therefore take note of the fact that South African courts ruled that good institutional governance is ultimately about effective leadership. Institutional governance should therefore regulate the exercise of power within a municipality or municipal entity to ensure that the municipality’s strategic/operational objectives are achieved. In general institutional governance is defined as a practice by which institutions such as municipalities are managed and controlled (1992, UK Cadbury Report).

THE BASIS FOR INSTITUTIONAL GOVERNANCE

The basis for institutional governance can be found in a number of the South African policy documents which will subsequently be discussed.

The Constitution of the Republic of South Africa

According to section 195, contained in Chapter 10 of the Constitution of the Republic of South Africa, Act 108 of 1996

the following basic values and principles should govern public administration:

- A high standard of professional ethics;
- Efficient, economic and effective use of resources;
- Services must be provided impartially, fairly, equitably and without bias;
- The public must be encouraged to participate in policy-making;
- Public administration must be accountable; and
- Transparency must be fostered by providing the public with timely, accessible and accurate information.

Section 152, contained in Chapter 7 of the Constitution also indicates the following objectives of local government, which supports and confirms the values and principles contained in section 195:

- To provide accountable government for local communities; and
- To ensure the provision of services to communities in a sustainable manner.

White Paper on Transforming the Public Service (Batho Pele White Paper) of 1997

It is also important to note that the following Batho Pele principles are embodied in the spirit of King III:

- Consultation;
- Service standards; and
- Openness and transparency.

These Batho Pele (people first) principles emphasise the expectations that the national and provincial government and the public have in terms of service delivery by all municipalities and municipal entities. Linking these principles with the governance principles of King III leads to the assumption that service delivery will be improved and enhanced.

White Paper on Local Government of 1998

The White Paper on Local Government of 1998 states that developmental municipalities will need to be guided by strong political leadership, able to make difficult policy judgements, work with a range of players and guide the actions of the administration to promote the social and economic well-being of local communities. According to the White Paper the

central responsibility of municipalities is to work together with local communities to find sustainable ways to meet their needs and improve the quality of their lives

Other important municipal specific legislation/ regulations

It is also necessary to keep in mind that the following legislation and regulations form an important part of institutional governance within municipalities:

- Municipal Finance Management Act (MFMA) 56 of 2003;
- Municipal Systems Act (MSA) of 2000; and
- Integrated Planning and Performance Management Regulations of 2001.

Other important municipal guidelines

Except for the municipal specific legislation and regulations the Supply Chain Management Guide for Accounting Officers of Municipalities and Municipal Entities should also form part of institutional governance within municipalities.

King III (Report & Code) of 2009

King III is, as indicated in the introduction, is applicable to all entities, including municipalities. It is therefore necessary to implement the key principles of good governance included in the King Code in the governance processes of municipalities which should not be new to the local government sphere. According to Prof King “the philosophy of the King Report revolves around leadership, sustainability and corporate citizenship”. The key principles contained in the King Code are therefore the following:

1. Effective leadership;
2. Sustainability and (3) sustainability reporting;
4. Innovation, fairness & collaboration; and
5. Social transformation and redress.

COMPARING GOVERNANCE AND MANAGEMENT

It is important to understand that governance goes beyond management. Those who govern determine and authorise what municipalities do. Municipal Managers manage municipalities by virtue of authority delegated to them by those who govern (councillors). If management

is then about running the municipality, governance is about seeing that it is run properly. Municipalities therefore need governance as well as management, which is two complementary processes.

KEY COMPONENTS OF GOOD INSTITUTIONAL GOVERNANCE AT MUNICIPALITIES

For municipal councillors and officials to understand the concept of good institutional governance it is necessary to focus on the mandate and main objective of municipalities, which is in essence to provide services to the communities that they are serving in terms of Schedule 4B and 5B of the Constitution of the Republic of South Africa, Act 108 of 1996.

The key components of good institutional governance at municipalities should therefore include the following:

- Integrated Planning and Budgeting
- Risk Management and Internal Control
- Performance Management
- Compliance with the statutory and regulatory framework
- In-year Monitoring and Reporting and Annual Reporting
- Annual planning and performance review
- Effective Internal Auditing
- Effective Audit Committees
- Effective MPACs
- Ethical Leadership

The underlying logic for these key components that were identified as critical for good institutional governance and service delivery will subsequently be discussed in more detail.

Integrated Planning and Budgeting

Good governance by municipalities is only possible if the IDP and the MTREF as well as the SDBIP and annual budget are aligned with one another. To achieve such an alignment the SDBIP should include the following:

- Annual Infrastructure Development Plan;
- Annual HRM Plan;
- Annual SCM Plan (including a Demand Management/ Procurement Plan);
- Annual Physical Asset Plan;
- Annual Transport & Fleet Management Plan;
- Annual Risk Management and Fraud Prevention Plan;

The Importance of Institutional Governance for Municipal Service Delivery

By Riaan Visser, Director: Governance, Ducharme Consulting

- Annual Risk-Based Internal Audit Plan;
- Annual Borrowing Plan (if applicable); and
- Revenue enhancement plan.

This alignment should enable the Council and senior management to ensure that their governance processes can be executed in a structured and planned manner and that service delivery can be improved.

Risk Management and Internal Control

For good governance purposes it is necessary that a strategic and operational risk management plan is prepared during the budget preparation process. The preparation of the strategic and operational risk management plan and the preparation or review of the risk register should be preceded by a thorough risk assessment. The risk assessment normally indicates what the focus of Council and senior management should be during the financial year and which internal controls should be put in place to minimise risk. It is crucial that the risk register is updated by the Heads of Departments in collaboration with the Chief Risk Officer on at least a monthly basis. That should enable the Municipal Manager to inform Council on a monthly basis of the progress made in terms of risk control and risk reduction activities.

Performance Management

From a governance perspective Council should ensure that a proper performance management strategy is included in the SDBIP. Management should, on the other hand, ensure that the key performance areas, strategic objectives, key performance indicators and targets included in the strategy are linked to those officials responsible for the achievement of those targets. It is therefore critical that management should on monthly basis report to the Municipal Manager in terms of progress made and the Municipal Manager informs Council about it. Deviations should be addressed immediately to ensure that the targets set have been achieved by the end of the financial year. The Mayor and the Council should also ensure that performance agreements are signed with the Municipal Manager and senior managers within one month after the beginning of the financial year. Such agreements should be based on the performance information included in the top layer and the departmental SDBIP's.

Compliance with the Statutory and Regulatory Framework

Part of governance, from the Council's side, is to ensure that all the legislation, regulations and guidelines from

the national and provincial government are adhered to by the administration. Non-compliance such as irregular, unauthorised, fruitless and wasteful expenditure should be investigated and the necessary action been taken against those responsible for the occurrence of it. To prevent non-compliance the necessary policies and procedures should be instituted and enforced. In this context it is important to remember that governance and management is not a popularity contest. People have to be held responsible for their actions.

In-Year Monitoring and Reporting and Annual Reporting

Reporting is a very important component of good governance. Reporting should be based on what was planned and budgeted – nothing more and nothing less. Monthly and quarterly reports should reflect the daily monitoring of progress made in terms of the implementation and execution of the SDBIP (performance) and the annual budget. These reports should form part of the internal controls used by Council and the Administration (Municipal Manager). Reports should, however, not become one of the tick boxes to satisfy external parties such as the Audit Committee, the AGSA, National Treasury and/or the Provincial Treasury). It should be thoroughly discussed in Council and Management Committee meetings to ensure that appropriate actions can be taken in cases where deviations are identified.

Annual Planning and Performance Review

Based on the content of the Annual Report the Integrated Development Plan (IDP) and the SDBIP of the municipality have to be reviewed. This review process will normally have the following benefits:

- To ensure that progress has been made during past financial year;
- To use the lessons learnt from the past financial year to improve on service delivery during next financial year; and
- To reprioritise, if necessary, depending on the external environment.

Revision of the strategy and plans of the municipality as well as the performance information should be crucial from a governance perspective to ensure that municipality's strategic objectives embodied in the IDP of the Council is achieved over the medium term.

Effective Internal Auditing

Internal audits (findings) should serve as a management and governance tool to ensure that internal controls are effective and efficient in mitigating the key risks. Management should provide feedback on the findings of

the internal auditors and use it to improve management and service delivery practices. A Risk-Based Internal Audit Plan should be approved by the Audit Committee (AC) and the internal audit findings should be reported timeously to the Audit committee. In some instances the findings of internal audits could also be used by the AGSA when external audits are conducted after the end of the financial year. It is therefore necessary that the findings of the internal auditors are being taken seriously by management. In an effort to add more value the Internal Audit Function could also provide an advisory service to management.

Effective Audit Committees

Effective audit committees are regarded as a key component of institutional governance. The internal auditors report to the audit committee as an independent Committee of Council, consisting of technical experts. It is, however, important to keep in mind that the audit committee depends on the internal auditors to be functional and objective in their recommendations to Council. For governance purposes it is critical that the audit committee chair should submit an audit committee report to Council at least twice a year and occasionally also presents the audit committee report in Council. The audit committee report should enable Council to establish reliance on the Management Reports received on a monthly and quarterly basis.

Effective MPACs


Oversight from the Council's side is not only a requirement in local government legislation. It is also an important mechanism to ensure accountability in terms of governance. The Municipal Public Accounts Committee (MPAC) assists Council to hold the executive/administration and municipal entities to account, and to ensure the efficient and effective use of municipal resources. The MPAC should receive the Council's full support when investigating irregularities and reporting it to Council. It is also necessary that there is good relationship and coordination between the MPAC, consisting of councillors, and the Audit Committee, consisting of technical experts, since the two committees might have to deal with the same issues from time to time. It is therefore recommended that the MPAC Chair is an ex officio member of the audit committee.

Ethical Leadership

It was indicated earlier that governance is essentially about effective leadership. In the case of municipalities

there are a need for political (councillors) and managerial/administrative leadership (MM & senior management). In a nutshell it is about leading by example (setting the tone from the top) and by motivating and encouraging staff to perform as best as they could. Leading by example refers to honesty, integrity, fairness, transparency and the commitment to be accountable for one's actions, as well as the willingness to root out fraud and corruption by all means necessary at any time. A Code of Conduct is therefore essential as it is already prescribed by the Municipal Structures and Systems Acts.

CONCLUSION

The key components of institutional governance that was highlighted did not cover all the aspects included in King III or the municipal legislation. It only deals with those critical aspects that municipalities have to improve on in an effort to give effect to the basic aspects of institutional governance. In future aspects such as sustainability and integrated reporting and disclosure, which is not requirements in terms of the local government legislation or guidelines, will become more relevant than it is today. When considering the Auditor-General South Africa (AGSA) Audit Report for Local Government it is clear that municipalities' still has a long way to go before institutional governance will be high on the priority list. It is, however, necessary to start doing the basic things right in terms of the local government legislation and regulations. 

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Seven Deadly Sins of Internal Audit

By Jane Masite - IMFO President

INTERNAL AUDITORS SHOULD AVOID THE FOLLOWING:

1. Ineffective planning auditing the wrong area in the right way doesn't help our cause.

- A good internal audit plan:
- Is risk-based;
- Relies on multiple sources of input; and
- Uses technology to support the audit process.

2. Being self-centered

- Internal auditors sometimes believe their function is the most important one in the company. And why not, for surely marketing, operations, and finance feel the same way about their functions!

3. Losing the truth

Knowing when to stand by your decisions and when to compromise requires a vast database of prior experiences. Just like a stalk of wheat, if you're too stiff, you'll break, but if you're too soft, you'll get trampled on. The trick is to bend with the wind, but still snap back and gain your rigidity when you have to.

- Here are a few tips on effective negotiation:
- Focus on the end goal, not how to get there;
- Understand the other side's position;
- Make the other side work—demand suggestions that help solve the problem; and
- Don't compromise on the wrong issue, especially when it relates to morality, fraud or ethics.

4. Ineffective communication

- Internal auditors love details. We tend to believe that the more information we convey, the better the chances are of it being understood completely.
- Unfortunately, the board and management team simply don't have the capacity or time to understand all of the details. They're looking for expert advice, not reams of data.

Effective communication is all about identifying common themes and issues across audits, consolidating them, and then presenting them in a concise and specific format.

5. Failing political science

Politics is a process by which groups of people make decisions. So how does that apply to auditors?

- Well, anyone who deals with "improvement" must understand the decision-making process. We need to make sure the decisions that are made will stick.

And we need to know where to go for solutions to be implemented quickly.


- Essentially, understanding the politics in our organization will allow us to formulate workable solutions that will get implemented. The key to understanding organizational politics is to ask the following questions:
- Where are decisions made?
- Who makes the decisions?
- How are the decisions made?
- Who ignores the decisions (and gets away with it)?
- Who overturns decisions?

6. Destroying credibility

- The internal audit profession is built on the concept of an independent assessment. If assessments have no credibility, they lose their value. And if they lose their value, then the value of internal audit to the organization is also lost.
- Building credibility is an on-going process that requires:
- Making judgments and voicing opinions based on actual audit testing and documentation;
- Failing to be swayed by, or act upon, rumours or "inside" information;
- Not discussing audit results except with those who need to know;
- Presenting issues only that you have personally reviewed; and
- Forming an opinion only on data which has been verified

7. Inability to negotiate

- Internal auditors, think of ourselves as the governance, risk, provide value to the organization.
- Boards and management want an internal audit function that can help the organization attain its objectives. This can be achieved with the right combination of skills and technology.

By developing more structured audits, communicating more effectively with stakeholders across the enterprise, and providing practical and beneficial solutions to business issues internal auditors, can avoid common pitfalls, and attain our full potential. 

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SOLAR

Good Governance the key to the fight against National Poverty. *By Brian Young, IMFO*

Good governance helps to rebuild fragile state and municipal institutions and ensures peace and stability in our communities. It definitely has a role to play in the next stage of the fight against national poverty.

At the IMFO conference in October 2014 the Minister of Co-operative governance threw the gauntlet down to municipalities to comply with the 10 basic goals that he wants municipalities to achieve to bolster good governance in their institutions. The 10 basic goals that the Minister wants municipalities to commit to achieve are:

- 1) Cleanse all billing systems to make them operational
- 2) Get debt collection systems right, eradicate illegal connections and establish a culture of payment for services.
- 3) Increase credibility and legitimacy of the municipality with its consumers.
- 4) Improved service delivery (cut queues and improves call centres.)
- 5) Eliminate disclaimers in audit reports.
- 6) Reduce the amounts in audit reports assigned to irregular expenditure.
- 7) Revenue protection and safeguarding of infra-structure assets against theft and vandalism.
- 8) Visibly combat fraud and aggressively-run a clean government administration.
- 9) Formalise the role of IMFO in Local Government (qualifications must be recognised.)
- 10) Generally going back to the basics of effective financial management.

These 10 Municipal Development Goals will be crucial in driving important developments through the next decade or until they are achieved. These development goals will drive national priorities and the national agenda in the developmental part of this country. This may even lead to the flow of aid money if there are visible signs that we are achieving our 10 municipal development goals (hereinafter referred to as the MNDG's). These MDG's are very important.

Trade unions will be pressing for decent work to have a much higher prominence in the MDG's. The eradication of severe poverty is the main goal to be achieved. (There is a news flash on SABC TV that states that 16 million people go to bed hungry in South Africa every night.) Without more and better jobs poverty will remain ingrained in our national economy.

We have to tackle inequality in our communities. This needs to be a goal within the country as a whole. This inequality includes women, the disabled and so on. The sharpest

argument at the moment is specifically about economic inequality for women. It is undeniable that South Africa as a middle income country has the resources to tackle poverty in our rural areas, unfortunately there was a press report this morning that a rural municipality gave R49 million rand to a contractor that has not completed a water project. This company was paid for producing nothing. This is scandalous; we look to the law enforcement agencies to act decisively.

The education and health systems need a lot of governance and "tough love" to make them produce educated young people and maintain the health of our communities to enable them to contribute vigorously to the economy. These are the usual arguments about how many targets do we set. The Minister of Co-operative Governance put us out of our misery and has given us 10 targets to set- case closed: We now have work to do.

We hope the biggest argument is the one we are going to have about good corporate governance. As can be seen from the downgrading of credit ratings of South African banks we are moving economically from a robust economic state to a fragile economic state, as perceived by the rest of the world. Even though these anaemic credit ratings are meeting resistance from the middle income and emerging middle income economically active segment of the population.

Now we must determine if we can realise the minister's 10 MDG's, are they realistic? The answer is that we have no choice we have to realise them but it may just take a bit longer to realise some than others.

The biggest question of all is: Do we have the backbone and will to enforce good governance in our municipalities? Without realising the 10 MDG's and Good Corporate Governance we are not going to achieve national peace and stability in our communities. Do we want to live with pathetic service delivery from our municipalities and service delivery protests in our communities? Of course not. Nobody wants to live in a community where disputes are settled through the barrel of a gun. Remember a licensed fire arm kills you just like an unlicensed fire arm. If it is a policeman shooting or a criminal shooting the outcome is the same. ❶

October 17, 2014 in Rosebank, The Minister of the Department of Cooperative Governance and Traditional Affairs (COGTA), Pravin Gordhan spoke at the launch of the FNB Academy for Municipal Excellence.

First phase: 20-22 October 2014, Sandton



Cynthia Nkuna
Bushbuck-Ridge Local Municipality



Moses Grond
Gamagara Local Municipality



Dr Maria Motebang
City of Tshwane



Kgosi Ledimo, CEO
FNB Public Sector Banking

The Minister Pravin Gordhan commended FNB's initiative and said he hoped this would encourage other organisations in the private sector to accelerate service delivery in our communities. "This partnership, hopefully, will act as an embryonic one for others to build upon, so we can truly have a more effective public sector."

FNB planned three phases which will incorporate municipalities from the different neighbouring provinces. The first phase commenced in Gauteng on 20 October and it incorporated municipalities from Gauteng, North West, Mpumalanga, Free State, Northern Cape and Limpopo. The second phase was scheduled to be held in the Eastern Cape and would incorporate municipalities from the

Western Cape. The last phase was scheduled to take place in Kwa-Zulu Natal where there's a high concentration of municipalities.

Kgosi Ledimo, CEO of Provincial and Local Government Business at FNB Public Sector Banking said, "In our daily interaction with municipalities, we are able to identify some of the challenges they face and this programme is designed to address areas which need improvement such as procurement and management of finances or contracts. Each session is programmed to last for 2, 5 days with breakaway sessions that will encourage robust debate around the challenges municipalities face, and how to overcome these. ❶

An Audit incident that happened outside of the Four Corners of the Cashbook - *By Brian Young*

BANG! LOL:-)

When an auditor is conducting an external audit at a municipality, the nature and conduct of his actions and interaction with his auditees can have far reaching consequences. In this case I am not referring to rambunctious behaviour or horseplay in the office by any means but I am referring to every day conversation and connotations in your conversation. Just your presence in some cases can rock the proverbial boat of an official indulging in malpractices that does not have anything to do with the theft of cash from the municipality. Administrative malpractices can be far more lucrative than actually stealing from the till.

In this case I want to illustrate what can go wrong. Sometime in the 1980's a colleague and I were auditing a motor vehicle registering authority and licensing department of a small rural town in the "old" Transvaal.

On the first day when we began the audit we noticed that when the ladies that operated the motor vehicle licensing terminal went on lunch they locked the office that contained the terminal but the terminal was not switched off. They had scarcely left for their lunch break when the office would unlock and we would hear one transaction being processed. The office would then lock. This happened on the second

day as well. On the third day we decided to sneak a peek and lo and behold we saw that it was the Chief Traffic Officer that was processing these single daily transactions.

On the third day when we asked the lady that operated the motor vehicle registration terminal about these single transactions, she was completely stunned because the single daily transactions were executed under her name. She must have asked her "boss" the Chief Traffic Officer what the transactions were.

That same afternoon I was busy filing a whole pile of Driver's License Tests that I had audited. The files were kept in the Traffic Chiefs Office because he tested the applicants for Drivers Licenses. He then asked me a question, he said how is the audit going (I thought he meant the audit of the Drivers Licenses). I said, "**fine, I got all of them.**"

When I left his office **I heard a very loud bang.** I rushed back into the office and found that the Chief Traffic Officer had shot himself in the head with his service revolver.

On closer inspection of his single daily lunch time transactions the SAP Detectives found that he had registered between 250 and 300 stolen Mercedes Benz and


BMW motor vehicles to a syndicate over the previous two years.

When I said, **“fine, I got all of them .”** I do not know if he thought I had discovered the illegal registration of the stolen cars or that the ladies in the license office were going to get arrested and he could not bear the thought of being discovered. He took the path of least resistance. Meanwhile I had no clue of any wrongdoing except of the lunch time transactions, even they did not bother me to much because after all he was the CHIEF Traffic Officer and I was an audit clerk.

It goes to show that there are very few people that are able to handle the mental stress of criminal conduct before their

conscience starts playing tricks on their ability to judge logically. Only a born criminal can operate logically under these high levels of stress. The police do not catch most criminals; they get apprehended when they started acting irrationally or suspiciously.

I do not think I did anything wrong but nobody likes to have played a part, even unintentionally in an event where a life is lost, even if the deceased took his own life. The outcome remains the same, yes sadness and regret.

When my audit manager asked what had happened I related the whole story to him he counselled me with the counselling method of the 1980's. He said, **“heavy stuff man let's go and have a beer.”** 

Why should municipalities use Sebata?

For the past four decades Sebata has been providing end-to-end integrated technology solutions, enterprise management systems and multi-disciplinary professional services across the full spectrum of municipalities and associated institutions. Sebata has developed solutions which primarily seek to help municipalities offer the best possible service delivery to their constituents.

Sebata is completely committed to the SCOA pilot process



A MICROMEGA Group Company

Innovating solutions for municipalities, public entities and provincial government

How can Sebata help?



Cloudware: Sebata is able to deliver any application to any device using our cloud technology.



Meter Reading: Guaranteeing accurate readings, enhancing customer relations and significantly reducing account queries. Sebata offers a variety of meter reading solutions from cellphone readings through to smart and prepaid water meters.



Enterprise Management System: A fully integrated municipal financial management system providing comprehensive and holistic municipal financial management functionality. System workflow that guides complex user profiles from the planning phase (IDP, SDBIP, Budget & Projects) to the operational transacting environment (SCM, HR, Payroll, GL, Cashbook, SCOA segmental database) that results in comprehensive compliant reporting (AFS).



Electronic Document Management System: A holistic, integrated and efficient EDMS for record-keeping, filing, retrieving, routing and tracking documents with the utmost care and security for general administration.



Information Management System: Enables municipalities to improve service delivery, facilitate cross-functional management and the strategic co-ordination of information.



Accounting & Professional Services: Sebata has geared its solution to meet the specific needs of municipalities requiring assistance with governance and compliance, taking into account Operation Clean Audit 2014.



Sebata has established a **Skills Development Academy** enabling municipalities to recover training funds from their respective SETA's. Sebata can also assist municipalities in drafting and submitting workplace skills plans and annual training reports.



IN & AROUND IMFO

THE FINAL SCHEDULE WITH DATES AND VENUES WILL BE SENT TO ALL MEMBERS
BEFORE END OF 2014!

2015 TOPICS	PROVINCES
ASB GRAP Compliant Standards	8
Assets Management	8
Supply Chain Management	8
Performance Management	8
Budgeting	8
GRAP for Non-Financial Officials	8
Revenue Management	8
Customer Care	8
Oversight Role of Councillors	8
New GRAP Standards	8

Thank you for the loyal support on the IMFO training courses, conferences and workshops. We hope that you found them educational, informative and worthwhile as you have indicated on the evaluation forms.

2014 had great groups - definately value for money! Your enthusiasm and positive spirit made our time together constructive, productive and fun. Thank you for your participation, your comments and suggestions on the evaluations and we assure you that each comment will be given consideration so that future trainings / workshops will be even more of a success.

IN - HOUSE TRAINING (ON REQUEST)

Supply Chain Management
SDBIP - Performance & Management
Budgeting
GRAP - Annual Financial Statements
Oversight Role of Councillors
Risk Management

For more information please visit:
www.imfo.co.za
OR
contact Ms Getrude Tsotetsi
getrude@imfo.co.za
011-394-0879



Gallery Conference Speakers

MONDAY



Minister Pravin Gordhan
COGTA



Ian Neilson
Deputy Mayor of City of Cape Town



Xolile George
SALGA CEO



Sidwell Mofokeng
Vice-President IMFO



Lerato Thwane
COGTA



T.V Pillay
National Treasury



Jane Masite
IMFO President



Michael Sass
Accountant General



Thabo Mokoto
ABSA Diamond Sponsor



Expenditure Review Panel



Kalane Rampai
PWC



Wim Louw
IMFO Board Member



Carl Stroud
National Treasury



Clean Audit Aspiration Panel



Municipal Entities Panel



IN & AROUND
IMFO

WEDNESDAY



George van Schalkwyk - IMFO Board member



Louise Muller - Handover of the new president **Jane Masite**



Gallery Delegates



Delegates seated in Hall



Delegates posing in Plenary



Delegates at entrance of Gala



Ethekwini Councillor Fawzia Peer
visiting an Exhibitor



Delegates at Registration



Delegates at Registration



Gallery

Clean audit awards - **Winners**



Patricia De Lille
Honourable Mayor of City of Cape Town



Tshepo Ntsimane
DBSA



Pieter Dirk Uys



Evita

WESTERN CAPE BRANCH AWARD WINNER



PROVINCIAL WINNERS

PROVINCE	Name of Municipality
GAUTENG	Sedibeng District Municipality
KWAZULU-NATAL	UThungulu District Municipality
	Msinga Local Municipality
	Ntambanana Local Municipality
	Okhahlamba Local Municipality
	Ubuhlebezwe Local Municipality
	Umhlathuze Local Municipality
	uMzimkhulu Local Municipality
MPUMALANGA	Ehhlazeni District Municipality
	Steve Tshwete Local Municipality
	ZF Mgcwa District Municipality
NORTHERN CAPE	City of Cape Town Metropolitan
WESTERN CAPE	Breede Valley Local Municipality
	George Local Municipality
	Knysna Local Municipality
	Langeberg Local Municipality
	Mossel Bay Local Municipality
	Overstrand Local Municipality
	Swartland Local Municipality
	Theewaterkloof Local Municipality
	Witzenberg Local Municipality
	West Coast District Municipality

Gallery

Clean audit awards - **Winners**

IN & AROUND
IMFO

PROVINCIAL WINNERS

PROVINCE	Name of Entity
EASTERN CAPE	Mandela Bay Development Agency
GAUTENG	Johannesburg Fresh Produce Market
	Johannesburg Social Housing Company
KWAZULU-NATAL	Durban Marine Theme park(Pty)ltd
	Safe City Pietermaritzburg
	uThungulu Housing Development Trust
	uThungulu Financing Partnership
WESTERN CAPE	Cape Town International Convention Center



Honourable Mayor Patricia de Lille and Past President Louise Muller



Evita

Future CONFERENCE DATES



2015 | Gallagher Convention Centre | 5-7 October



2016 | Durban Convention Centre | 3-5 October



2017 | Cape Town Convention Centre | 9-11 October



Visit www.imfo.co.za for more information

2015
2016
2017



Service Delivery SALGA

Waste not want not

In responding to the universal quest to curtail dependency on fossil fuels and promote renewable energies, the South African Local Government Association (SALGA) and GIZ, a German co-operation agency, are supporting municipalities in assessing their biogas potential from the sludge in their waste water treatment plants to generate electricity and reduce their electricity bills.

South Africa has opted to reduce its dependency on fossil fuels and promote renewable energies with the target of 17.8 GW by 2030. Municipalities have an important role to play in regard to waste-to-energy since waste service provision is the responsibility of local government.

In the programme, the two organisations will assess the potential for projects in nine pilot municipalities before sharing lessons learnt and proposed approaches to interested municipalities. The pilot municipalities are:

- The City of Tshwane;
- Maletswai Local Municipality;
- Maluti A Phofung Local Municipality;
- Umjindi Local Municipality;
- George Local Municipality;
- Tlokwe Local Municipality;
- Newcastle Local Municipality;
- Tzaneen Local Municipality; and
- Khara Hais Local Municipality.

Aurelie Ferry, Renewable Energy Technical Advisor at SALGA, says the process started with a scoping study, looking at the potential development of a waste-to-energy project in the municipal waste water treatment plants. "The most promising municipalities – Umjindi, Maletswai and Tlokwe – were then selected for further evaluation of the feasibility of the identified project. In parallel, lessons learnt will be developed and shared with other municipalities and the relevant national departments." read more on website: <http://www.servicepublication.co.za>

(Source: South African Local Government Association)

THE INTELLIGENCE BULLETIN- UNDERSTANDING THE NEWS. Economic Watch

What can almost be called a constellation of deficits on multiple fronts threatens the good intentions – which are by and large solid – of Minister of Finance Nhlanhla Nene's medium term budget policy statement (MTBPS). While the budget deficit is expected to widen to 4.1% of Gross Domestic Product (GDP) in 2014/15 (and in the words of the Treasury the "budget deficit is high, debt levels have approached the limits of sustainability") that is not the only and probably not the most serious threat to economic and social stability in the country.

The Treasury also has it right when it states that – without adjustment – it is likely that the country's sovereign debt risks being downgraded to "sub-investment grade" which could impair access to credit markets.

In his MTBPS in parliament last week the minister did indeed announce some intentions to address these concerns via:

- more efficient spending
- savings on government expenditure
- increased tax revenue
- the selling of "non-strategic" state assets and
- keener oversight of state enterprises like Eskom and South African Airways.

Read more on <http://www.theintelligencebulletin.co.za/articles/economic-watch-1893.html>

Heinrich Kruger

(Heinrich Kruger is International Markets Analyst, CEO & CIO of Kruger International Wealth & Asset Management)

"MGRO" Municipal Governance Review & Outlook

The Provincial Treasury's initiative to improve clean governance in municipalities.

On 23 July 2012, Premier Helen Zille indicated; "Municipalities are the coal face of service delivery. Audit outcomes produced by the auditor general in previous financial years have shown that the service delivery crises in many municipalities are often as a result of poor financial management. The ability of municipalities to manage their finances efficiently and



effectively is critical to ensuring that resources are spent on providing services to citizens.”

The Provincial Treasury, in terms of section 5 Municipal Finance Management Act 2005, drives the implementation of the MFMA which provides for a framework and guidelines for the sound and sustainable financial management of municipalities. The 2010/11 financial year audit outcomes of Western Cape municipalities have remained stagnant, moved sideways and in some have actually regressed. This is a cause for great concern and this had to change. It is imperative to mention that there has been some improvement over the last three financial years prior to 2010/11. Apart from the abovementioned improvement, this stagnation at unqualified with other matters does not sufficiently advance the achievement of the target set by the national government’s Operation Clean Audit 2014 initiative.

It was evident that if we hoped to reverse this stagnation, PT and the municipalities need to up their game. PT had to support municipalities to overcome these challenges by promoting good governance, strengthening financial management and encouraging accountability. This realization resulted in the birth of MGRO 1 or Municipal Governance Review and Outlook - 1.

Taking cognisance of the many initiatives and intensive efforts that were afoot in municipalities to raise the level of governance competence and outcomes, the plan for MGRO was crafted. This essentially meant the entire revamp of the previous Financial Governance Review and Outlook (FGRO) and FMIP processes, now called MGRO. Driving a single-minded focus on clean governance and thus reducing negative audit outcomes. Being acutely aware that Rome wasn’t built overnight and the many challenges municipalities face, MGRO was not going to be an event, but a long-term strategy from 2012 to 2021 aligned to the Western Cape Provincial Strategic Objective (PSO)12.

MGRO 1 focused on Governance Action Plans (GAPs) that had to be prepared by the municipalities, and dovetailing the

collective efforts of PT and Department of Local Government. This GAP was proposed to be made up of the following two components:

1. What the municipality need to do to realise good governance, and
2. What PT and DLG need to do to support the municipality in these endeavours.

The above formed the consolidated GAP, owned by the respective municipalities and monitored by PT and DLG.

The areas covered in this GAP was:

1. Predetermined objectives (PDOs)
2. Financial statements
3. IT controls
4. Expenditure management
5. HR management
6. Supply Chain Management (SCM)
7. Asset management (Inventory, registers, stock and disposal management)
8. Internal controls

MGRO 1 engagements are held per district during September and each municipality has approximately 2 hours to present their GAP. The Head of the Treasury and his executive management team then engage the municipality around their presented GAPs. The report back on MGRO 1 takes place during the November Premier’s Co-ordinating Forum session.

The continued monitoring and evaluation within the PT happens through the MGRO monthly meetings with regular feedback to the Municipal Executive Meeting.

In conclusion, the significant improvement for 2012/13 financial year is seen as a signal that MGRO can work, and we hope to experience year-on-year improvement. ❶

By: Basil Vink – Director Corporate Governance



Are you an IMFO Member?

Are you a member of a Professional Body? Are you an IMFO Member?

By Louise Muller, City of Cape Town

If you are not yet a member of IMFO, what are you waiting for? **There are many benefits for you!**

If you are a municipal manager or a chief financial officer, you should ensure that your finance, internal audit, risk management and performance management staff are all members to ensure that you get the best value for money when sending them to IMFO conferences and training sessions - as IMFO members pay less! Further, while being exposed to best practices and practical expertise, attendance at IMFO events also allows IMFO members to earn professional development points. This allows the individual to show that they are up to date on public finance and financial governance matters, while allowing the municipality the opportunity to track the training experiences of staff members.

The benefit of being a member does not stop there. Besides the ability to record Continuing Professional Development (CPD) points on line on the IMFO website, the following direct and indirect benefits are applicable:

1. Members enjoy the guardianship of the Institute as an umbrella body for the profession of municipal finance officers and related fiscal governance matters.
2. Members can fit into the technical levels of membership or join the general membership stream. All members receive a certificate indicating their membership, while technical members' certificates will record their level of membership.
3. Student membership is also available – giving students access and exposure to the best practices in all aspects of the management of public finances.
4. Members have access to a structured continuous professional development scheme – usually at a significant discount compared to non-members. Members receive invitations to attend workshops, seminars, and conferences.
5. Attendance at IMFO events attracts Continuing Professional Development (CPD) points for members which can be recorded on the IMFO website and provide evidence of up to date learning experiences – adding value to the member's curriculum vitae.
6. Members have access to a local and national network of contacts and information via members.
7. Members are automatically included in regional activities of the Institute, with the opportunity to participate in local (branch) meetings, seminars, workshops and research.
8. Members receive a free copy of the IMFO journal each quarter which covers various aspects related to the good governance of public funds as well as information on factors affecting local government finances. Newsletters

are also sent out to all members, keeping them abreast of developments within the public sector.

9. Membership offers stimulation, professional (and personal) enrichment and the opportunity to meet members of the profession on a provincial, national and international level as well as providing representation, through the Institute, on key professional policy bodies.
10. Members receive the agenda and related reports of the Institute's Annual General Meetings as well as the agenda and related reports of the annual general meetings of their local provincial branches.

SAQA, at the Board meeting held on 7 November 2012, approved the recognition of the Institute of Municipal Finance Officers (IMFO) as a Professional Body for the purpose of the National Qualifications Framework (NQF) Act, Act 67 of 2008. The Board also approved the registration of the following IMFO designations on the NQF:

- Junior (JIMFO)
- Licentiate (LIMFO)
- Associate (AIMFO)
- Senior (SAIMFO)

According to the National Qualifications Framework website:

"A professional body is a body of expert practitioners in an occupational field, and includes an occupational body – that is a body constituted to represent and / or regulate a recognized community of expert practitioners. The National Qualifications Framework (NQF) Act No 67 of 2008 requires SAQA to register professional bodies and professional designations on the NQF.


The criteria for professional registration with SAQA shows that an organisation applying for SAQA recognition should:

- protect the interests and professional status of its members;
- protect the public interest in relation to services provided by practitioners and the associated risks;
- show evidence of inherent social responsibility and the advancement of the objectives of the national qualifications (NQF) framework;

- be a legally constituted entity with the necessary human and financial resources to undertake its functions, governed by a statute, charter or constitution and adhering to good corporate governance practices;
- represent and, where applicable, regulate a recognised community of expert practitioners;
- apply peer judgement in decision making;
- develop, award and revoke its professional designations in terms of its own rules, legislation and/or international conventions;
- monitor its professional designations in terms of the above;
- manage the revocation of designations in terms of the above and in a transparent manner;
- promote and monitor continuing professional development according to criteria set by the body;
- utilise a fully functional information management system that is compatible with the national learners' records database;
- monitor compliance with an agreed code of conduct;
- cooperate with the relevant quality council (QC) in respect of qualifications and quality assurance in its occupational field;
- not be accredited as a provider by a QC;
- not be registered as a provider with the department of higher education and training; and
- be involved in developing a body of specialised knowledge according to national and international benchmarks.

These are all further benefits to any IMFO member. IMFO will be recognised as a professional body for an initial period of five years, renewable for subsequent five-year periods. The first review of IMFO adherence to these requirements takes place in 2015)

If you want to know more about membership:

- Read more about the Professional Status Of IMFO And The Related Membership Requirements in the 2013 conference edition of the IMFO journal;
- Visit the IMFO stand at future Conferences;
- Surf the IMFO website – www.imfo.co.za 



USE OF OFFICIAL LANGUAGES ACT 12 OF 2012

A number of draft language policies are being published for comment in accordance with the Use of Official Languages Act, Act 12 of 2012. Section 4(1) of the Act provides that every national department, national public entity and national public enterprise must adopt a language policy on its use of official languages. Section 4(2) provides that a language policy adopted must:

- identify at least three official languages that the national department, national public entity or national public enterprise will use for government purposes,
- stipulate how official languages will be used in effectively communicating with the public, official notices, government publications, and inter and intragovernment communication,
- describe how the national department, national public entity or national public enterprise will effectively communicate with members of the public whose language of choice is not one of its chosen official languages, or South African Sign Language,
- describe how members of the public can access the language policy, and
- provide a complaints mechanism to enable members of the public to lodge complaints regarding the use of official languages by a national department, national public entity or national public enterprise.

THE AUDITING PROFESSION AMENDMENT BILL [B15-2014]

(Notice 919 in Government Gazette 38119 of 24 October 2014)

This Bill has been introduced into Parliament. The main aim is to amend the Auditing Profession Act, 2005, so as to provide for the regulation of candidate auditors and to update references to the Companies Act, 2008.

The Auditing Profession Act, 2005 (Act No. 26 of 2005) ("the Act"), provides for the regulation of the auditing profession by establishing the Independent Regulatory Board for Auditors ("the IRBA"). The IRBA is responsible for the registration of individuals and firms as auditors for purposes of practicing the auditing profession.

The Act currently does not regulate candidate auditors and this amendment is necessary so that all aspiring registered auditors are under the jurisdiction of the IRBA. In the past all

candidates, who successfully completed the PPE and wanted to become a registered auditor, would register with the IRBA. The new model provides for a period of specialist training prior to a CA becoming a registered auditor. It is during this period of training the Registered Candidate Auditor will be subject to the regulation of the IRBA as a candidate auditor.

A copy of the Bill will be obtainable from the website of National Treasury at <http://www.treasury.gov.za>

HOUSING DEVELOPMENT SCHEMES FOR RETIRED PERSONS ACT 65 OF 1988

(GenN 849 in Government Gazette 38057 of 3 October 2014)

The process for Application for exemption from the provisions of regulations 6 to 14 in the Housing Development Schemes for Retired Persons Act has been published for comment.

RENTAL HOUSING ACT

(No. 38184 of Government Gazette 38184 of 5 November 2014)

The Rental Housing Amendment Act has been published. The purpose of the act is to:

- amend the Rental Housing Act, 1999, so as to substitute and insert certain definitions;
- set out the rights and obligations of tenants and landlords in a coherent manner;
- require leases to be in writing;
- extend the application of Chapter 4 to all provinces; to require MEC's to establish Rental Housing Tribunals and extend the powers of the Rental Housing Tribunals and provide for an appeal process;
- require all local municipalities to have Rental Housing Information Offices; and
- provide for norms and standards related to rental housing; extend offences; and provide for matters connected therewith.

SPATIAL PLANNING AND LAND USE MANAGEMENT ACT 16 OF 2013

(GenN 877 in Government Gazette 38077 of 10 October 2014)

The Draft Spatial Planning and Land Use Management Regulations, 2014 have been published for comment.

GUIDELINE ON NEED AND DESIRABILITY IN TERMS OF THE ENVIRONMENTAL IMPACT ASSESSMENT (EIA) REGULATIONS, 2010

(Notice 891 in Government Gazette 38108 of 20 October 2014)

This document is one of the series of guideline documents on environmental impact management legislation and regulations. The EIA Regulations make it clear that an Environmental Assessment Practitioner (“EAP”) appointed to manage an EIA process must, amongst other requirements, have knowledge of all guidelines that have relevance to the proposed activity and the EIA process, and must throughout the EIA process take into account all relevant guidelines.

While guidelines may contain information that provide guidance in terms of best practice in terms of certain EIA aspects, the guidelines also address, often in laymen’s terms, how to meet the peremptory requirements prescribed by the legislation. While the best practice guidance must be taken into account, the peremptory requirements of the legislation must be adhered to.

This guideline must be read together with the NEMA, the EIA Regulations, the relevant SEMA(s) and its Regulations, and is not intended to be a substitute for the provisions of the NEMA, the SEMAs or the Regulations, in any way.

CRIMINAL PROCEDURE ACT 51 OF 1977

(GN 780 in Government Gazette 38080 of 10 October 2014)

The declaration of peace officers in terms of s. 334 of the Criminal Procedure Act has been published.

NATIONAL QUALIFICATIONS FRAMEWORK ACT 67 OF 2008

(GN 779 in Government Gazette 38075 of 10 October 2014)

The National Policy for the Implementation of the Recognition of Prior Learning has been published.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT AMENDMENT ACT, 2013 (ACT NO. 46 OF 2013)

(GenN 876 in Government Gazette 38076 of 10 October 2014)

In terms of section 10 (2) of the Broad-Based Black Economic Empowerment Amendment Act, 2013 (Act No. 46 of 2013), the Minister has determined that the Act shall come into operation on the date of proclamation, being 2 October 2014.

Proposed codes of good practice on black economic empowerment have also been published for comment. A first phase of amendments to the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice (Codes) was gazetted on 11 October 2013 (Revised Codes) with a transitional period of 18 months, up to 30 April 2015.

The Department of Trade and Industry committed to reviewing and gazetting the outstanding statements for public comment and finalisation before the end of the transitional period. The second phase of amendments and additions to the Codes were published for comment on 10 October 2014 (Draft Amended Codes).

Key amendments proposed in the Draft Amended Codes are set out below.

Sector transformation plans and measurement

Where no sector codes apply, sector transformation plans, which are aimed at addressing sector-specific peculiarities, are to be used by private sector entities as guidelines for transformation of their sectors. However, private sector entities will use the Codes for purposes of measurement of their B-BBEE status.

Specialised enterprises

Specialised enterprises (being companies limited by guarantee, higher education institutions, non-profit organisations, public entities and other enterprises exclusively owned by organs of State, public benefit schemes or public benefit organisations, and section 21 companies) are measured under the specialised generic scorecard (previously “adjusted generic scorecard”). The allocation of weighting points in this scorecard has been amended. It is proposed that four B-BBEE elements (previously, six elements) be measured, being management control, skills development, enterprise and supplier development and socio-economic development.

Exempted Micro Enterprises which are specialised enterprises and which have an annual total revenue, allocated budget or gross receipts of ZAR10 million or less (specialised EMEs) are deemed to have a level 4 B-BBEE status, with a B-BBEE recognition level of 100%. Specialised EMEs with at least 75% black beneficiaries qualify as level 1 contributors, with a B-BBEE recognition level of 135% and EMEs with at least 51% black beneficiaries qualify as level 2 contributors, with a B-BBEE recognition of 125% Qualifying Small Enterprises which are specialised enterprises and which have an annual total revenue,



allocated budget or gross receipts of ZAR50 million or less (specialised QSEs) qualify as level 1 contributors, with a B-BBEE recognition of 135% if they have at least 75% black beneficiaries. Specialised QSEs with at least 51% black beneficiaries will qualify as level 2 contributors, with a recognition level of 125%, and specialised QSEs with less than 51% black beneficiaries will qualify as level 4 contributors, with a B-BBEE recognition level of 100%.

Measurement of qualifying small enterprises (QSEs)

Perhaps the most controversial amendment proposed is that QSEs will no longer be measured in terms of a choice of four of the five B-BBEE elements, but all five B-BBEE elements. The B-BBEE elements and their respective weightings under the amended QSE scorecard are:

- Ownership - 25 points;
- management control - 15 points;
- skills development - 25 points;
- enterprise and supplier development - 30 points; and
- socio-economic development - 5 points.

Sale of assets, equity instruments and other businesses

Amended rules will apply to the recognition of the sale of assets, equity instruments and other businesses for purposes of the ownership scorecard.

Equity equivalent investment programmes (EEIPs)

It is proposed that some of the requirements for recognition of EEIPs as a contribution towards the ownership element of B-BBEE made by multinationals be amended, including the government strategic economic development policies and programmes which may be supported through EEIPs and the qualifying beneficiaries of EEIPs. EEIPs must promote and advance enterprise and supplier development, research and development, and critical and core skills to be accorded recognition towards the ownership element. It is possible for multinationals to make partial contributions to an EEIP and they will receive pro-rata recognition of ownership points accordingly. The minimum partial contribution is 40% of the compliance target for the ownership scorecard. Rules have been drafted for the administration of EEIPs and investment periods are regulated.

The amended Codes are due to come into effect on 1 May 2015.

ACCOUNTING STANDARDS BOARD -

(No. 38109 in Government Gazette of 24 October 2014)

The Accounting Standards Board (the Board) invites comment on three Exposure Drafts that were issued for comment at its meeting held in October 2014. The Exposure Drafts are outlined below:

- Proposed Amendments to the Standards of GRAP on Investment Property and Property, Plant and Equipment (ED 126);
- Proposed Amendments to the Standards of GRAP on Impairment of Non-cash generating Assets and Impairment of Cash-generating Assets (ED 127); and
- Proposed GRAP Reporting Framework for 2015/2016 and Amendments to Directive 5 (ED 128).

Comment on Exposure Drafts is invited until 30 January 2015.

Exposure Draft 126 - EXPOSURE DRAFT OF PROPOSED AMENDMENTS TO THE STANDARDS OF GRAP ON INVESTMENT PROPERTY AND PROPERTY, PLANT AND EQUIPMENT

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.
- Clarify the wording related to the use of external valuers.
- Introduce more specific presentation and disclosure requirements for capital work-in-progress.
- Review the encouraged disclosures and assess whether any should be made mandatory or deleted.
- Require separate presentation of expenditure incurred on repairs and maintenance in the financial statements.

Exposure draft 127 – PROPOSED AMENDMENTS TO THE STANDARDS OF GRAP ON IMPAIRMENT OF NON-CASH-GENERATING ASSETS AND IMPAIRMENT OF CASH-GENERATING ASSETS (GRAP 21 and 26)

The need for further clarification was raised by respondents who indicated that the distinction between cash-generating

and non-cash-generating assets has proved problematic at a local government level, as municipalities charge fees for the services they provide. Even after the amendments in ED 112, constituents indicated that the proposals did not fully address their concerns. The Board concluded that, in addition to the proposals made in ED 112, a more holistic review of GRAP 21 and GRAP 26 was required.

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

- simplifying the approach to impairment to make it clearer when an asset is cash generating or non-cash-generating;
- assessing the feasibility of one measurement approach for non-cash-generating assets; and
- assessing the feasibility of combining the two Standards.

Simplifying the approach to impairment to make it clearer when an asset is cash generating or non-cash-generating

The Board considered how it could respond to the issues identified by respondents relating to the practical difficulties of identifying when an entity generates a commercial return in the public sector. It was noted that there are varying interpretations of what constitutes a commercial return and some practitioners hold the view that the primary objective of generating a commercial return contradicted the service delivery objective of the public sector.

The Board concluded that it was necessary to develop a simplified approach. In the proposed approach, the classification of assets between cash-generating and non-cash generating moves away from assessing whether an asset is used with the objective of generating a commercial return. Instead, the classification is based on a measurement basis that best reflects an entity's objective to use the asset.

Assessing the feasibility of one measurement approach for non-cash-generating assets

Currently, GRAP 21 provides entities with a choice when selecting the appropriate measurement basis for determining value in use. As one of the Board's objectives is to simplify the Standards by eliminating measurement alternatives, the Board considered eliminating the restoration cost approach and service.

Assessing the feasibility of combining the two Standards


Lastly, the Board considered the practicality of combining the requirements of GRAP 21 and GRAP 26 into a single Standard. Although, there are similarities between the two Standards, the Board established that there is merit in retaining two separate Standards.

Although most assets in the public sector are not cash-generating, the Board noted that there are entities in the public sector that use their assets as cash-generating assets. The Board also noted that there are entities that exist to deliver services and also undertake business activities, for example GBEs, and it may be problematic to develop a Standard that reflects both uses of assets.

Exposure draft 128 – PROPOSED GRAP REPORTING FRAMEWORK FOR 2015/16 AND AMENDMENTS TO DIRECTIVE 5

Directive 5 *Determining the GRAP Reporting Framework* comprises the Standards and pronouncements issued by the Board and, where relevant, other standard-setters, to be applied by entities when preparing their financial statements in accordance with Standards of GRAP for a particular reporting period. The Appendices to Directive 5 list the Standards and pronouncements that form the GRAP Reporting Framework for a particular reporting period. The Board revises the GRAP Reporting Framework on an annual basis as a result of:

- Standards of GRAP, Interpretations or other publications that have become effective or have been issued by the Board;
- Standards and pronouncements issued by other standard-setters, such as the International Public Sector Accounting Standards Board (IPSASB) and the International Accounting Standards Board (IASB) (where they are relevant to the South African public sector); and
- any other developments that require Directive 5, or its related Appendices, to be revised.

All comments are to be submitted to the Accounting Standards Board by 30 January 2015. The full documentation is available on the Accounting Standards Board website: www.asb.co.za 

New Members

STUDENT MEMBERS

PROVINCE	TITLE	INITIALS	SURNAME	DESIGNATION	EMPLOYER
GP	Mr	S	Ngumla	Student	Vaal University of Technology

GENERAL MEMBERS

PROVINCE	TITLE	INITIALS	SURNAME	DESIGNATION	EMPLOYER
GP	Mr	HK	Dikobe	Director	City of Johannesburg

JUNIOR MEMBERS

PROVINCE	TITLE	INITIALS	SURNAME	DESIGNATION	EMPLOYER
KZN	Mr	A	Haroon	Finance Intern	Umdoni Municipality
WC	MR	RP	Fransman	Finance Intern	Bitou Municipality
	Ms	ZWP	Peter	Intern:Supply Chain Management	Bitou Municipality
MP	Mr	ST	Khube	Financial Intern	Emalahleni Local Municipality
MP	Ms	NM	Soga	Financial Clerk	Emalahleni Local Municipality
KZN	Mr	S	Cele	Finance Intern	Umdoni Municipality
MP	Mr	B	Sibiya	Finance Intern	Emalahleni Local Municipality
MP	Mrs	LG	Zide	Supply Chain Management Clerk	Emalahleni Local Municipality
EC	Ms	CN	Hlatshaneni	Municipal Accounts Intern	KSD Municipality
MP	Ms	MN	Ngwato	Secretary	Steve Tshwete Local Municipality
MP	Ms	ZT	Skosana	Sub-Accountant	Steve Tshwete Local Municipality
NC	Mr	WA	Scheepers	Manager: Budget & Reporting	Kai!Garib Municipality
GP	Mr	MF	Mokalapa	Intern	City of Tshwane
KZN	Ms	A	Mjadu	Intern	Uthungulu Municipality
LP	Ms	SB	Modiba	Intern	Ba-Phalaborwa Municipality
LP	Mr	TJ	Mabitsela	Intern	Ba-Phalaborwa Municipality
LP	Ms	K	Nkonwana	Intern	Ba-Phalaborwa Municipality
LP	Ms	KY	Mailula	Intern	Ba-Phalaborwa Municipality
EC	Ms	TLO	Mazondwa	Admin Officer: Finance	Provincial Treasury-EC
LP	Mrs	DM	Mkhabela	Manager: Expenditure	Thaba Chweu Local Municipality

LICENTIATE MEMBERS

PROVINCE	TITLE	INITIALS	SURNAME	DESIGNATION	EMPLOYER
KZN	Mr	SE	Gabela	Manager: Supply Chain Management	Umshwathi Local Municipality
KZN	Mr	SS	Mdlalose	Budget Officer	Zululand District Municipality
KZN	Ms	L	Lugongolo	Municipal Finance Analyst	KZN Provincial Treasury
MP	Ms	N	Nthau	Financial Officer	Emalahleni Local Municipality
MP	Mrs	MW	Nelwamondo	Sectional Head	Emalahleni Local Municipality
EC	Ms	NS	Balincwadi-Qaba	Deputy Director: CFO Support	Eastern Cape Department of Provincial Planning & Treasury

ASSOCIATE MEMBERS

PROVINCE	TITLE	INITIALS	SURNAME	DESIGNATION	EMPLOYER
	MS	L	Theron	Manager: Assets & Insurance	Drakenstein Municipality
KZN	Mrs	N	Maliza	Municipal Budget Analyst	KZN Provincial Treasury

ASSOCIATE MEMBERS

PROVINCE	TITLE	INITIALS	SURNAME	DESIGNATION	EMPLOYER
GP	Mr	E.J	Bodigelo	Functional Head: Finance Support	City of Tshwane
LP	Ms	M.F	Nchabeleng	Manager	Limpopo Treasury
KZN	Mr	O.V	Kunene	Chief Finance Officer	Impendle Local Municipality
GP	Mr	L.B	Sewelakae	Assistant Director: Municipal Finance	Gauteng Department of Local Government
KZN	Mr	M.L	Hlongwane	Chief Accountant	Ubuhlebezwe Municipality
MP	Mr	S.P	Ndlovu	Head: Supply Chain	Emalaheni Local Municipality
LP	Mr	C.M	Maeta	Manager	Limpopo Provincial Treasury
LP	Mrs	B.E	Mabunda	Manager	Limpopo Provincial Treasury
LP	Ms	C.A	Mabuza	Manager	Limpopo Provincial Treasury
KZN	Ms	S	Mthembu	Deputy Manager	KZN Provincial Treasury
EC	Ms	N.K	Sibobi	Manager: Expenditure	Nkonkobe Local Municipality
LP	Mr	B	Mohlamme	Manager: Revenue	Elias Motsoaledi Local Municipality
KZN	Mr	TE	Gambu	Manager: Finance	Okhahlamba Municipality
GP	Mr	MO	Rabothata	Manager: Operations Finance	City of Johannesburg

SENIOR ASSOCIATE MEMBERS

PROVINCE	TITLE	INITIALS	SURNAME	DESIGNATION	EMPLOYER
GP	Mr	NS	Marota	Chief Finance Officer	Lesedi Local Municipality
LP	Ms	N	Laubscher	Chief Finance Officer	Waterberg District Municipality

Membership Details Update

INFORMATION

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



POSTAL ADDRESS:

PO Box 4003, Kempton Park, 1620

PHYSICAL ADDRESS:

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Johannesburg, 1620
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Fax: +27-11-394-0886/+27-11-975-8487
<http://www.imfo.co.za>



Reporting Requirements

Reporting Requirements (Local Government Finance)

MONTH	NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
FEBRUARY 2015	1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
	2	Details of a new bank accounts	MFMA 9(a)	90 Days after opening	Accounting Officer	Prov Treas, AG
	3	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
	4	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
	5	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Counc, MEC (Loc Govt)
	6	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
	7	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
	8	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
	9	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
	10	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
	11	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
	12	Entity - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
	13	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & Counc
	14	Table report above	MFMA 101(2)	Next Council meeting	Accounting Officer	Municipal Council
	15	Entity - Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 102(1)	Promptly	BOD of entity	Mayor, Mun Mngr of parent mun
	16	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Acc Officer	Nat Treas, Prov Treas, AG, Lgovt
	17	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Acc Officer	Speaker of parent mun Council
	18	Deviations from a recommended tender	MFMA 114(1)	Promptly	Accounting Officer	Nat Treas, Prov Treas, AG
	19	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
	20	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas

MARCH 2015 (3rd Quarter of financial year)

MONTH	NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
MARCH 2015 (3rd Quarter of financial year)	1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
	2	Details of a new bank accounts	MFMA 9(a)	90 Days after opening	Accounting Officer	Prov Treas, AG
	3	Table the Annual Budget	MFMA 16(2)	90 Days before new year	Mayor	Municipal Council
	4	Table time schedule (key deadlines) (b) (1)(2) (3)&(4)	MFMA 21(1)(b)	10 Months before start of budget year	Mayor	Municipal Council
	5	Submit annual budget in printed and electronic formats	MFMA 22(a)	Immediately after budget is tabled in Council	Accounting Officer	Nat Treas, Prov Treas
	6	Submit the approved budget	MFMA 24(3)	Once approved	Accounting Officer	Nat Treas, Prov Treas
	7	Non-compliance pertaining to tabling & approval of budget	MFMA 27(3)	Promptly	Mayor	Mun Council, MEC (Finance) Nat Treas
	8	Exceedance of the Capital Budget	MFMA 31	Promptly	Mun Manager	Prov Treas, AG
	9	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
	10	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
	11	Delay in tabling budget, approval of SDBIP or signing of ann performance agreements	MFMA 53(2)	Promptly	Mayor	Municipal Council & MEC (Fin)
	12	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Council, MEC (Loc Govt)
	13	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
	14	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
	15	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
	16	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
	17	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
	18	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
	19	Entity - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
	20	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & Council
	21	Table report above	MFMA 101(2)	Next Council meeting	Accounting Officer	Municipal Council
	22	Entity - Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 102(1)	Promptly	BOD of entity	Mayor, Mun Mngr of parent mun
	23	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Acc Officer	Nat Treas, Prov Treas, AG, Lgovt
	24	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Acc Officer	Speaker of parent mun Council
	25	Deviations from a recommended tender	MFMA 114(1)	Promptly	Accounting Officer	Nat Treas, Prov Treas, AG
	26	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
	27	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas



Reporting Requirements

Reporting Requirements (Local Government Finance)

MONTH	NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
APRIL 2015	1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
	2	Details of a new bank accounts	MFMA 9(a)	90 Days after opening	Accounting Officer	Prov Treas, AG
	3	Cons report - all withdrawals each quarter	MFMA 11(4)	Within 30 days	Accounting Officer	Prov Treas, AG
	4	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

Many Thanks for being part of the IMFO Conference 2014 Exhibition!

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