

IMFO



OFFICIAL JOURNAL OF THE INSTITUTE OF MUNICIPAL FINANCE OFFICERS



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addressed IMFO delegates

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OF SOCIAL MEDIA**

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ED

Happy days are here again! The Festive Season is the time to be jolly! This is the time we all take advantage of, to rest and share special moments with our loved ones. It is all about warm summer days spent on white beaches for those who will be at the coast. Think of the warm summer evenings, comprised of sipping cocktails at chic and relaxed venues around town. Better yet travelling inland and spending time at nature reserves where all is green and you are at one with nature all around you.

I know that for some municipal finance practitioners, there is no rest for the wicked because some members will be busy preparing annual reports to table to council. It seems that after attending the successful IMFO Conference in Durban this year many delegates gained knowledge and shared best practices. This platform was still not enough as most comments received from delegates show that there is a demand for more workshops provincially on certain technical issues that need to be addressed in local government. See page 8 where we share some questions and answers with you from the Auditor-General's presentation at the conference.

IMFO will continue to look at other technology where practitioners can share ideas using the social network. There is an estimation of 1.6 Billion people who log on to social networking sites at least once monthly this year, the research firm eMarketer said on Tuesday 19 November 2013. The IMFO President Ms Louise Muller has also written an interesting article (see page 12) which should stimulate some members to move together with us as we begin to embrace Social Networking even in our workplace.

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Enjoy the holidays!

Ciao! 🍷

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Dear Colleagues

We have just come through a period of Government shutdown in America – 17 days of “non-essential” services not being operational with non-essential staff being put on unpaid leave. Can you imagine the calculations of income foregone, the balancing of non-payment of staff salaries against the revenue which should have been generated through the opening of tourist attractions and all the related subsidiary services that go along with that? If the US government uses similar processes to those applicable in South Africa, there surely must be some passing of adjustment budgets taking all these consequences into consideration! This just puts the challenges we face regarding all the processes that take place at the end of the year into perspective. Hopefully the annual audit is complete and you are well on the way with the process to ensure the submission of the annual report. Of course, the base work is also being done for the mid-year review and the submission of the adjustment budget where necessary (and then the related review of the SDBIP’s in case the adjustment budget affects the final expected output or outcome), while dealing with the preparation of the budget for the 2014/15 year. I know it is a bit of a crazy time as all the councillors want to finalise matters before going on recess.

An area in South Africa that often makes us think of short term shutdown is the constant vulnerability of our electricity supply. Do spare a thought, now that we have some summer sunshine and heat, to minimise or eliminate the use of artificial lighting and open the windows for a breath of fresh air. The Department of Energy has adopted five energy efficiency strategies which are intended to provide the lowest cost option to reduce the country’s energy consumption, and improve energy security, competitiveness of the country internationally and job creation. Innovations have been introduced for municipal street-lighting, public buildings, solar water heaters and improvements in industrial efficiency. Local government must come to the party and look at ways of reducing the non-technical losses while

implementing or facilitating the implementation of these electricity demand reduction strategies. The budgetary implications from the lower electricity sales need to be taken into consideration, and very carefully factored into the tariff setting processes – while still considering the vulnerable sectors of the community.

The vulnerable sectors of our community should always be in mind as we are public servants providing public services with public funds. At this time of the year, however, we should be more aware of this section of our community. This should not just be because of the excesses we see as people start their end of year celebrations, or because we see or take part in the Annual Toy Run or Santa Shoebox initiatives, but also due to the consideration of those living with the impact of HIV and Aids on World Aids Day on 1 December as well as the 16 days of Activism Campaign for No Violence against Women and Children. This campaign runs from 25 November to 10 December. It is heartening to read that the Department of Women, Children and People with Disabilities, in conjunction with the National Religious Leaders Committee against Gender-Based Violence, has launched the Vikela Mzansi Campaign against gender-based violence, and the Vikela Ogogo Mzansi Campaign, specifically to protect elderly women under attack. It has urged that more money be spent empowering women so that they are no longer dependent on their abusers for shelter and support. Training programmes and construction opportunities have now been set up specifically for women, via the Departments of trade and Industry, Economic Development and Public Works. The Departments of Human Settlements and Agriculture had been asked to ensure that women qualify for, respectively, housing and agricultural subsidies.

While we may all experience some form of challenge, spare a thought for those experiencing challenges that are greater than yours at this time and see what you can do to lighten the load in some way. Whatever you do, have a wonderful festive season and carefully consider those new year resolutions as you take stock on the year that has passed and have a small break from the normal routine, always taking special care if you are travelling.

Yours in the pursuit of excellent financial governance for efficient, economical and effective service delivery! 📌

LOUISE MULLER
IMFO PRESIDENT: 2012/12 – 2013/14

IMFO



IMFO Annual Conference

INSTITUTE OF MUNICIPAL FINANCE OFFICERS

6-8 OCTOBER 2014, CTICC, CAPE TOWN



2014

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IMFO Chief Executive Officer



It is that time of the year when most of us feel that we have done enough for our employers and just want to disappear to any place and destination that offers a tranquil life. We often get to that place but the time we spend there is just not enough for many of us. For IMFO, 2013 has been another year of great success. There have been many events, projects and programmes we organized for our members and the sector in general.

One major achievement that comes to mind is the successful IMFO annual conference held at the Durban ICC earlier in October 2013. IMFO is satisfied and very proud that the Conference reached a total number of 2027 (two thousand and twenty seven) delegates. It is not the large attendance that is exciting but the fact that IMFO continues to reach a bigger audience, thereby increasing the impact it makes to financial management and governance. The support that our Conference received from the sector Departments, Provinces, Municipalities and business is extremely appreciated.

As part of our skills development and capacity building initiatives we presented various training programs that benefit and improve service delivery in municipalities. We remain committed to provide any relevant academically credited and non-accredited academic training programmes, to all of our members in general as well as responding to specific in-house requests for training programmes as per Municipalities' requests. As it happens each year, this year's coverage was wider than last year.

2013 saw IMFO members taking a wider role in increasing IMFO's strategic presence, to be beyond Municipal finance. At its 84th Annual General Meeting, IMFO adopted its Memorandum of Incorporation that brought many improvements and better service offerings to its members and the public. IMFO has added the Audit and Risk management professions to its professional designations and increased its coverage beyond just local government but incorporating other spheres of government so it caters for the public sector as a whole. This move was seen as a strategic move, indicative of IMFO's ability

to forecast the future and close the gap. It is envisaged that this move will not only elevate IMFO's contribution to the public sector but also assist in building corporative governance and sustainable financial management across the public sector. The IMFO Board is currently embarking on its annual strategic planning session that will ensure successful the successful discharge of it's added roles. We are also vigorously engaging with all relevant professional bodies and government Departments in order to collectively achieve the overall objective of creating a sustainable public finance management and good governance sector in the civil service.

Service delivery in municipalities is of cardinal importance because it guarantees that our communities' needs are gratified. One will have seen on the news that communities are not satisfied with service delivery in various regions of our country. This is a critical time in our country as we draw nearer to the elections. The future of our country largely depends on the establishment of a local government that keeps abreast with service delivery challenges. It is up to each one of us to strive to shape the direction of change in the communities we serve. We need to become part of the development of a powerful, unstoppable force that can take control in shaping local government. Municipalities need to promote the development of communities. Municipal financial teams play a critical role by continuously working towards an environment conducive to community growth and development.

We as IMFO remain very encouraged that despite some visible short comings and cracks in the system of local government, we have been part of the solution and played a major role in advancing clean governance and better service delivery. We however remain worried that the local government and the public sector are not moving fast enough to improve their processes and professionalise the sectors; hence we are rising to the occasion to provide alternative solutions. Finance, Audit and Risk Management practitioners in the public sector are called upon to join IMFO and actively take part in the shaping of civil service financial management and good governance. We also call upon all relevant professional bodies with similar vision and aspiration to collaborate with us for the ultimate goal of improving the civil service.

There are a lot of things to be said about IMFO but there is not a lot of time to read. With all that said, one can certainly agree that we need to rest as the year ahead is full of challenges and hard work. I thus take this time to wish you all a happy festive season filled with love and joyous occasions. 📍

MR PR MNISI
CHIEF EXECUTIVE OFFICER

MR KIMI MAKWETA addresses delegates



The Institute of Municipal Finance Officers (IMFO) was honoured to host Mr Kimi Makweta as a speaker at the 84th annual IMFO Conference at the Durban ICC. The term in office of the current Auditor-General, Mr Terence Nombembe, expires at the end of November of this year. He will then commendably have served as Auditor-General for a full seven years.

Mr Thembekile Kimi Makweta, who has served as Deputy Auditor-General for the past six years, has been appointed by Parliament to the post of Auditor-General with effect from December. A qualified chartered accountant, he was born in Cape Town and studied at the University of Cape Town. He obtained his B.Compt. Hons degree from UNISA in 1997. He started his career with Standard Bank and later worked for Nampak. He articulated with Deloitte where he progressed to senior management before joining Liberty and Metropolitan Life. Makweta returned to Deloitte as a partner and was part of the Forensics Division until he joined the Auditor-General as the deputy.

The Auditor-General of South Africa (AGSA) has been in existence for more than 100 years and has always enjoyed

high esteem in both government and public circles. In terms of the Constitution it is classified as a chapter 9 Institution and its mandate is to report on the finances of all national, provincial and local government administrations. The AGSA has the discretion to audit any institution that receives money for a public purpose. The Auditor-General reports to the Select Committee on Public Accounts (SCOPA) of Parliament.

After the afternoon session on Monday, 30 September 2013, where Mr Kimi Makweta addressed delegates on OPCA 2014 - the role of the Auditor-General, delegates sent many questions based on his presentation. We have taken some questions and placed them in the journal for the benefit of other members who did not have an opportunity to be part of the conference.

- 1. Why does the new Budget Statement template developed by National Treasury have a column where expenditure by type / category needs to be disclosed as unauthorised expenditure? The GRAP 24 Standard does not have such a column. Section 1 of the MFMA also does not define expenditure by type / category as unauthorised expenditure. Must we disclose this as a note to the annual financial statements? Another 'non-compliance' issue that will affect a clean audit status... Drakenstein Municipality**

Auditors will audit according to the applicable financial reporting framework, in this case GRAP. Please contact the AGSA senior manager responsible for the audit of your municipality for further clarity on technical expectations on the budget disclosure as well the compliance implications.

- 2. How can municipalities balance striving towards achieving clean audits against achieving other municipal objectives, e.g. Financial Viability and Compliance. Community satisfaction! Accelerated basic services? I feel that many municipalities work on satisfying the AG and the OPCA, rather than satisfying the needs of the communities... Emfuleni Municipality**

Municipalities should have performance plans that address their service delivery objectives and clean administration, with appropriate attention being given to each of these areas. Clean audits (in respect of all three components) are an important foundation for the municipality.

3. In order to get a clean audit, the definition refers to compliance with laws and regulations, Why is the AG not referring to materiality when they are looking in terms of compliance with laws and regulations... City Of Tshwane

The AGSA does consider quantitative and qualitative materiality when evaluating compliance with laws and regulations.

4. How does the AG audit skills transfer from consultants? Do they take movement of staff into account?... EOH Consulting (Pty) Ltd, T/a EOH Public Services

Auditors look for evidence indicating that skills transfer had been a condition in the contract and/or that any other evidence sufficient to support skills transfer is available. Our interest is that the capacity of auditees should be strengthened after consultants are used.

5. How much did the AG spend on their use of consultants?...unknown

The Auditor-General's message on the use of consultants, as detailed in the recently tabled Performance audit report on consultants, focuses on the mismanagement around the use of consultants and identifies some of the main issues relating to the mismanagement of contracts with consultants, resulting in higher-than-approved fees being paid; lack of plans to address vacancies, resulting in consultants' contracts being extended continuously, with exorbitant fees being paid; lack of transfer of skills during the deployment of consultants; the use of consultants to complete tasks where skills and resources are also available in-house, etc. Even in the AGSA's environment professional services are used but these are properly planned and managed.

6. I am worried about the timing schedule of AG reports. Until this day since early if not late last year, we have been dealing with 2011/2012 reports. We have gone past the 2012/2013 FY and in the media we are still bombarded with such old result....why can't AG investigate issuing of interim results even if unaudited?... Ekurhuleni Metropolitan Municipality

AGSA reports are issued within the legislated time lines per MFMA. Where this is not achieved, the relevant MFMA requirements are met. We are not sure what is meant by "issuing" of interim results. If this means "tabling" as required by the MFMA, then this would not work and it would be contrary to the MFMA requirements. We highly recommend that monthly management

accounts (monthly financial statements) be produced. However, these cannot be presented as audited annual financial statements as required by the MFMA.

7. When will the staff of the office of the AG also be compliant with the minimum competency requirements as set by NT?... Ethekewini Metropolitan Municipality

All AGSA appointments are made in terms of the minimum competency framework which is implemented through specific policies and procedures. Furthermore, our policies and procedures in this regard have been reviewed by the Independent Regulatory Board for Auditors for adequacy, appropriateness and implementation. A significant number of AGSA staff (more than a third) are involved in furthering their academic and professional qualifications.

8. In most cases, the AG cannot place reliance on the work of the internal auditors. Why can't the AG share their working papers with internal auditors to ensure that they can place reliance on the job that is performed by the internal auditors as an OPCA initiative... Sedibeng District Municipality

The internal audit function is required to be independent of the external audit function. Furthermore, the internal audit function is supposed to have a more detailed scope than the external audit function. Every opportunity for cooperation between all assurance providers should be sought.

9. What do you do as CFO when members of council deliberately break laws, especially in procurement... Mogalakwena Municipality

Such instances must be dealt with in accordance with MFMA requirements, such as section 103 – reporting of improper interference by councillors.

10. Can you please email me the presentation slides that you presented today, it's very informative... Ingquza Hill Municipality

All presentations will be made available on the IMFO website after the conference. Visit IMFO website www.imfo.co.za.

These are just a few of many questions posed to Mr. Kimi Makwetu. To view more of these, visit the IMFO website.

A new broom sweeps clean and IMFO members can expect Mr Makwetu to continue setting high standards in future. We wish him well in his new appointment and look forward to working with him in serving our democracy. 

Improving Financial Statements Quality Prior to Submission for Audit

Although the finance team of a municipality is faced with a myriad of day-to-day responsibilities, one of the most important of these is probably the preparation of a sound set of annual financial statements (AFS) that fairly presents the financial performance, position and cash flows of the municipality for the financial year. However, unlike the numerous levels of technical review that might take place in a listed company, a municipality's limited technical accounting resources often result in the need to outsource the second level quality review of the financial statements to a competent independent accounting expert (consultant) prior to submission to the Auditor-General for audit. Often, the Audit Committee of the municipality will request such a review to be performed prior to their meeting to review the financial statements. Although excessive use of consultants is generally frowned upon, this is probably a good and justifiable practice in most cases (and is likely to be far more cost-effective than permanently appointing and retaining an in-house GRAP expert throughout the year). However, caution should be exercised to ensure that the municipality does not place over-reliance on such an external review, to the detriment of ensuring there is appropriate supporting documentation available to support the information presented.

Expectations of what an external review of the financial statements can achieve in the limited time provided (usually a few days prior to the submission deadline) should be carefully managed and should be realistic. Ensuring that the external reviewer receives the financial statements well-before the deadline will result in management having sufficient time to adequately address all the review findings, thereby improving the quality of the financial statements. Furthermore, presentation and disclosure errors are often repeated year-after-year due to the financial statements receiving too little attention throughout the period. As frequent external quality reviewers for a number of municipalities, we often identify recurring themes that come up from time-to-time in the financial statements that we review – for example, the following are some of the common risk areas we identified during the current year:

- o **Understanding and application of GRAP 24 - Budget Information** – although it may seem relatively simple at face value, this can be a relatively complex standard to apply in practice. It requires comparison of budget and actual information to be presented as a separate statement in the financial statements. Although most municipalities that we reviewed seem to present this information, the way in which it was presented in the financial statements varied. National Treasury has issued

a Circular (MFMA Budget Circular 67), which encourages municipalities to as a minimum use the format of the appropriation statement since this should generally meet most of the requirements of GRAP 24, pending further guidance to be issued in the future as part of the Standard Chart of Accounts (SCOA) classification process. Regardless of the format that is ultimately used, it is important to ensure that the information is presented in line with the budget that was approved by Council at the start of the period. Actual results should therefore be converted from the AFS presentation format into the approved budget format (and not the other way around) to make the information comparable. Caution should therefore be exercised when using generic financial statements templates that do not necessarily meet this requirement.

- o **Over-reliance on generic templates for accounting policies, and narrative information around financial risks etc.** – Although the various templates available in the market today are generally quite good and useful to preparers of AFS, they cannot cater for all of the unique circumstances of each individual entity. Careless use of these templates often results in unnecessarily lengthy, irrelevant accounting policies (which in some templates appear to merely be a regurgitation of the definitions in the Standards). A dead give-away that management has not read or understood their own accounting policies is where the AFS still include the template's "instructions" to the preparer, or where there are contradicting policies (for example both revaluation and historical cost policies are included for the same class of assets). An area that is frequently overlooked is the explanation of the municipality's exposure to financial risks and how this is managed. The information disclosed should be an accurate representation of what is actually happening at the municipality rather than merely including the generic wording from the template. This is a particularly important area for audit committees to consider during their review, since it ties in directly with their responsibilities around monitoring risk management.
- o **Inventory** - Many of the municipal financial statements we reviewed claimed that the municipality uses the first-in-first-out (FIFO) method for the valuation of inventory. Considering that the most significant inventory held by a municipality is likely to be its water reserves, it is not clear how the FIFO method could be applied in practice. This is probably another indication that the preparers are simply relying on the wording in a template rather than actually applying their minds to the issue of inventory valuation. More concerning than this is

the question of whether there may in fact be a material underlying accounting error around how water is being accounted for. This is also evident from the fact that few municipalities disclose the cost of their water sales during the year (GRAP 12 Inventory requires disclosure of the amount of inventory recognised as an expense during the period).

o Impairment of Cash-generating vs. Non-cash generating assets – This is a fairly new accounting requirement that became effective for the first time in 2013 (GRAP 21 read with GRAP 26). It is generally poorly understood in practice, and requires a significant degree of judgement. In brief, the requirement is for an entity to distinguish between its cash-generating and non-cash-generating assets for the purpose of applying different impairment rules. The most common error we have noted in this regard is a lack of understanding of how to correctly identify cash-generating assets. Municipalities (and their municipal entities) often assume that if an asset has the ability to generate cash in-flows (e.g. an electricity or water network), then it must automatically be cash-generating and no further consideration of GRAP 21 is required. However, the Standard presumes that it is more likely that most of these infrastructure assets would meet the definition of a non-cash generating asset where their dominant purpose / reason for being held is to provide service delivery to the community rather than being held for a commercial return on investment. The fact that they generate cash inflows is often a secondary feature of the asset. The impact of this is that impairments may be accounted for incorrectly, or missed entirely. The Accounting Standards Board (ASB) has recently issued helpful guidance in this regard to further clarify the issue.

o “The auditors accepted it last year” - When we make recommendations for improving the AFS, we are often informed by management that the change will not be made as the auditors accepted it last year and there is insufficient time to make further changes prior to submission. This is a common pitfall since it is important to realise that the auditors are also continuously seeking to improve on their audit quality year-on-year and they may therefore change their views on something that was accepted by them previously. Furthermore, there are often auditor team rotations from year to year and their focus areas may also vary. It is advisable for a municipality to continuously build credibility with their auditors by demonstrating a continuous effort to improve on what was performed in prior years. This need not be overly resource intensive if work is done on the financial statements continuously throughout the year,

but unfortunately the financial statement preparation is often left until a month or two prior to the submission for audit on the basis that the financial year first needs to be closed-off. In reality, a municipality’s business should be fairly consistent over time and therefore many improvements could be realised early in the process by working on the prior year financial statements and then using this as a template for the current year information.

o Preparation of the Municipal audit file – In terms of the MFMA circular no.50 issued by National Treasury. It is proposed that the Municipality compile an audit file. This file should contain sufficient, appropriate audit evidence to support the amounts and assertions disclosed in the AFS. The purpose of such a file will facilitate and manage an efficient and organised audit process. It will also in turn aid in ensuring all necessary AFS disclosures are valid, accurate and complete. Furthermore, the collated supporting evidence will contribute significantly to the reviewers understanding of the Municipality and thereby adding further value to the AFS review.

Conclusion

Quality reviews of financial statements prior to submission for audit can greatly reduce the risk of avoidable audit issues related to financial statement presentation and disclosure. However, their usefulness can be greatly increased where the review and update of the disclosures takes place much earlier in the process, allowing management sufficient time to appropriately address the issues identified prior to the audit. With proactive, timely interventions during the year, GRAP compliance need no longer be a costly and stressful burden for municipalities during the financial statements close process around year-end, and technical GRAP compliance findings need no longer be a regular feature of our municipal audit reports. Proactive planning in this regard would free municipalities up to focus more on their core business of service delivery, supported by sound financial management. **o**



*Chantelle Durand Fuchs,
Associate Director at EY,*



*Alexi Colyvas
Associate Director at EY.*

HARNESSING THE POWER OF SOCIAL MEDIA



by Louise Muller, IMFO President

Technological advances are affecting our day to day working environment in more ways than we can think or imagine. The original municipal policy addressing the use of computers in the work place and then expanding to address private e-mail usage and laptop computers has now had to expand to address social media platforms and i-pads.

The impact of Facebook on the daily lives of citizens is evident, but are you aware that Twitter has over 4 million users in South Africa*? Two hundred and eighty eight million people* are tweeting ideas in 140 characters or less every day! It may well be argued that these social media networks use internet connectivity, a luxury to many people outside of a working environment or free Wi-Fi areas, however the statistics prove that this is an effective and well used medium for communication. It must be noted that the United Nations declared internet access as a basic human right last year. The Department of Communications have advised that it was preparing directives on price, premium content, and analysis of the broadband value chain at this time. More and more areas are introducing connectivity with your cup of coffee or your steak – and the tweeting continues.

South Africans choose Twitter over all the other forms of social media. Our citizens are, on a daily basis, gaining greater awareness of their rights, achieving better access to information through technology and garnering higher expectations of service levels. The heightened role of social activism experienced in South Africa, together with the advanced usage of social media can cause the instant transformation of a management issue into a political problem, as has been experienced in the past. Google has announced that they are going to start indexing Tweets in search results. If you didn't think Twitter was important before, it definitely is now! It is now another way to command more "real estate" on Search Engine Results Pages (SERPs). However, is this really the "real estate" or "airtime" exposure that our municipalities want?



Local government can no longer afford to ignore social media as a platform for managing expectations and maintaining the lines of communication between the municipal bureaucracy and the empowered citizen. Open and transparent reporting and consistency of the message on all media platforms as well as the monitoring and rapid response to social media comments may well have to become the norm and not the exception in the very near future. This may not be a service that local government can manage at this time, but it is certainly a gap in the market that needs to be filled. We are all aware of the essential drive to create employment opportunities in South Africa, and particularly employment for the youth. Even if the initial phases of this new enterprise only worked on monitoring and advising government as a whole of the “noise” being created on social media regarding government services, this business opportunity, if correctly managed, could become the employment hub of South Africa’s young people without a huge amount of additional training – most youngsters know how to use and monitor social media sites. Of course the opportunity could be expanded to cover the researching and developing of responses that would be signed off by the relevant departments or municipalities affected by the social media communications and then circulated back into the social media platform to provide the quicker delivery response expected from social media as well as the personal experience of a response as against just throwing a comment into the vastness of the world.

Government as a whole, and local government in particular, cannot only be reactive to this social media frenzy. Local government must use this accepted norm for communication as an incentive to redesign methods of invoicing or creating the awareness of indebtedness in order to bring municipal credit control and debt collection methodologies in line with technological advances. At this time local government is competing with the private sector to collect debts and therefore must stay relevant in the approach to collecting debt. Statistics presented to the parliamentary portfolio committees during August 2013 showed that about 47% of the 20 million credit consumers in South Africa have accounts in arrears! We need to embrace change and use it for our benefit – always evaluating the cost versus the benefit and ultimately affecting the bottom line positively! We must also use the opportunities granted on social media platforms to proactively advise our citizens of local developments and initiatives. Through effective communication the nuisance factor to the call centre of simply answering questions related to information that is readily available, but perhaps not most easily accessible, can be significantly reduced.

Innovation is surely the name of the game in order to allow for this to happen without negatively impacting on the scarce resources available. Local places of education can be approached to host contests for computer science students to come up with proposals on how to present the currently available local government information in a variety of formats to meet the needs of various audiences. These “apps challenges” seem to be becoming the norm in the United States. Hackathons are day-long events that give coders the opportunity to create new applications for providing information to citizens – some examples include apps for democracy, Kraggle.com, Challenge.com and The Open Knowledge Foundation.

South African local government needs to embrace these opportunities. The entry level opportunities range from e-mailing of invoices to SMS reminders for bill payments, licence renewals and fine payments right up to online payments. Further applications could related to e-procurement procedures, online submission of company details for procurement databases as well as the electronic uploading of the most recent SARS tax certificates for companies already registered on the procurement database. Social media can be used to collate comments from the community when items are put out for public comment. What is your municipality doing to embrace the technological revolution? IMFO looks forward to hearing about the social media innovations happening in your area! ●

Recognising fraud when you see it

by Louise Muller, Director Shareholding Management, City of Cape Town

The challenging economic environment makes governments more vulnerable than ever to fraud. However, fraud often is addressed only incidentally, as part of a more general discussion of internal control.

In a presentation made by Greg Litster and Shari Freidenrich at the GFOA conference in San Francisco, the following information was shared. The incidence of fraud is as follows: Most fraud is committed by employees, then managers and lastly by owners/executives. However, while the number of cases decreases between these three, the value of the fraud increases phenomenally. The top fraud cases in the US are billing fraud, corruption, expense reimbursements, skimming and cheque tampering. Payroll fraud is increasing – but is difficult to detect and may be under-quoted. Theft of fuel and commodity type assets is becoming far more common. Accounts payable fraud is most commonly caused through payment of personal bills, creation of fictitious suppliers, kickbacks, ordering personal items, petty cash funds, employee expense accounts and credit cards.



Common sense controls to prevent fraud include:

- Setting the tone at the top;
- Creating a fraud tip hotline (most tips come from fellow employees);
- Ensure strong internal controls are in place;
- Bonding of employees/temps.

Lessons for South Africa:

- There must be continual investigation and evaluation of all areas to recognise fraudulent activities;
- Very little is stolen from cash register disbursements – yet these appear to take the majority of the investigation time and be the majority of the cases
- Sound internal controls will effectively reduce fraud.
- Be VERY aware of malware and hackers
- Be VERY aware of the terms of the banking agreement - what has been signed regarding the bank responsibility in the case of fraud.
- Detecting fraud is not an internal audit or forensic department's responsibility. It is the responsibility of management. Management must set the tone and provide active oversight;
- The belief that external audit will detect fraud is unfounded;
- All weaknesses identified during compliance and regulatory audits must be focused on by senior management as these are generally good indicators of weaknesses that might be deliberately in place in order to allow for fraud. ❶

NOT ALL DEBT COLLECTION AGENCIES **ARE THE SAME...**



MBD Credit Solutions is a leading Southern African company offering a full suite of revenue management, debt collection and other credit related management solutions. Our uniqueness is demonstrated through a full understanding of clients' needs and challenges, world class revenue management software, training & skills transfer, and comprehensive call centre infrastructure to support our clients.

To find out more about why we are unique, visit us at stand 61 at the IMFO Annual conference or go to www.mbdcreditsolutions.co.za

Maximising revenue is about doing a number of things right

by Janet Channing, the MD of MetGovis

More municipalities are focused on managing their revenues than ever before, and accountability and transparency are becoming paramount. Janet Channing, the MD of MetGovis, reports from the IMFO Convention in Durban.

MetGovis sponsored the revenue management workshop at the recent Institute of Municipal Financial Officers (IMFO) Convention in Durban. Chaired by Peet du Plessis and including panellists George van Schalkwyk, Frans Rootman, Fathima Khan, Nantes Kruger and Philile Madonsela, the session was interactive and productive, generating 78 questions from the floor.

It all starts with the property register. Clearly, the starting point to manage revenues is the establishment and maintenance of an accurate property register. Without this spatial database, billing and revenue collection from water, electricity, waste and other services is virtually impossible to manage.

The key is to align municipal data sets from various sources – valuations, the financial system and deeds – and analyse them to establish a consolidated aligned result with no mismatches. The register must be maintained and updated with incoming deeds data to reflect the constant changes to property within the municipality: ownership changes, use changes, subdivisions, consolidations, zoning approvals, etc. Property data should be viewed spatially and in real time. And this property register should remain the property of and reside with the municipality, not with an outside service provider.

ACCURATE VALUATIONS ARE KEY

Once the property register is in order, accurate valuations become key. Municipalities must prepare and maintain general valuation rolls at least every four years and a supplementary roll at least once a year – and it goes without saying that the rolls should be accurate and complete. The rolls form the platform for the levying of property tax within the municipality.

The audience at the workshop highlighted inadequate time provided for the procurement of service providers to prepare general valuation rolls. Poor planning results in a compromised deliverable. Municipalities were urged to make use of bid specification guidelines to ensure

that these were tailored to accommodate data continuity. One of the proposed amendments to the MPRA was the introduction of more stringent monitoring by the respective provinces. Milestones for the procurement and appointment of service providers would have to be reported to the MEC. This would allow for corrective action to be taken in good time.

GENERAL VALUATION ROLLS BRING CHANGES THAT NEED ACTION

A general valuation roll will prompt changes to certain data fields including values, categories and extents. If the roll has been prepared outside of the municipal system, there are often challenges with roll uploads to the billing systems. To achieve accurate billing, the valuation roll must balance with the financial system.

Discrepancy reports to identify mismatches between the financial system and valuation roll must be drawn and acted on. The Auditor-General requires that this task is done monthly in the larger municipal systems, and at least when each new roll is uploaded in the smaller ones. This procedure allows for proper control of all rateable property and measures the implementation of remedial action. Synchronisation between the financial system and the valuation roll protects municipal revenue.

A PICTURE IS WORTH A THOUSAND WORDS

Spatial functionality using sophisticated geospatial information service (GIS) for storing, manipulating, maintaining, analysing and displaying geographic data is essential. This spatially referenced data is ideal for solving operational, management and planning problems.

GIS data becomes a powerful analytical tool comprising information that is related geographically, and can be displayed in a format that allows the user to easily understand inter-relationships.

Revenue audits highlight billing inconsistencies. A revenue performance audit will enable a municipality to

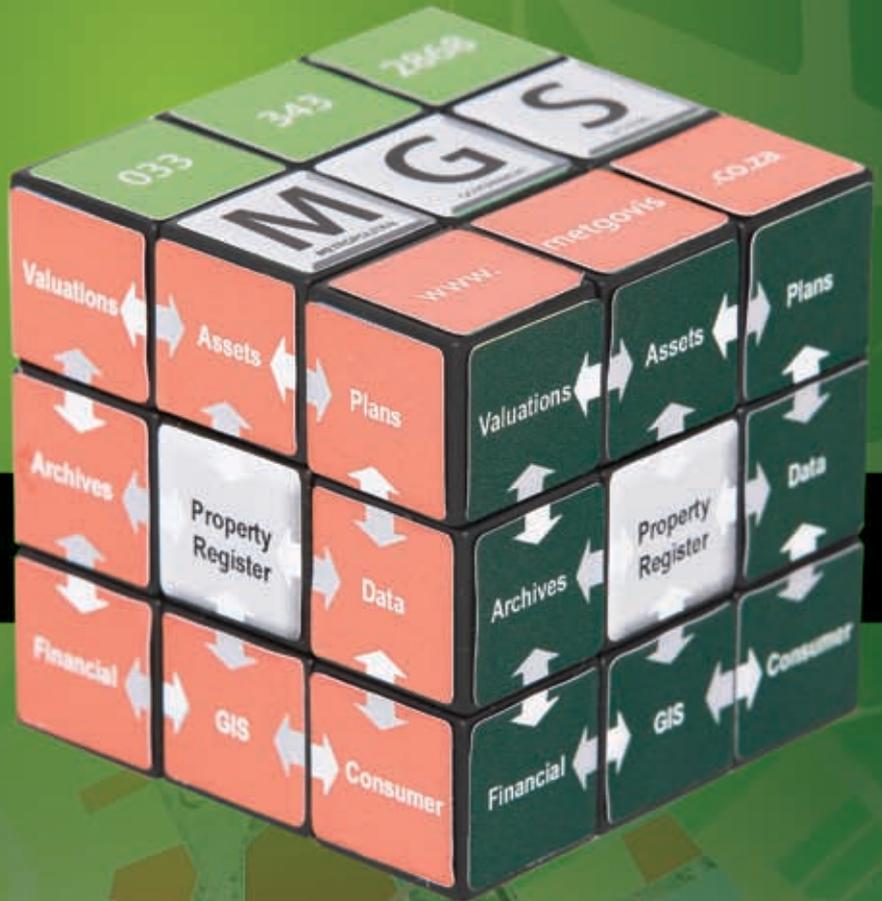


The MetGovis Property Solution – more than the sum of its parts

MetGovis offers a suite of products that provide the most advanced and integrated municipal property management solution available in South Africa.

MetGovis has been providing property valuation and management solutions since 1993. We work with more than 40 municipalities across South Africa, from large metropolises to smaller rural authorities.

MetGovis has one key objective: to provide municipalities with a secure, stable and accurate property database supported by innovative solutions to maximise their revenue streams.



Delivering innovative solutions to increase municipal revenue since 1993



METROPOLITAN GOVERNMENT SYSTEMS

Contact Janet Channing 033 343 2868
janet@metgovis.co.za

www.metgovis.co.za

Maximising revenue is about doing a number of things right

establish the correctness and completeness of its billing schedule. This is not a magic wand and will not produce immediate results. It takes hard work and constant application to clean up dirty data. The revenue audit reports support municipal management decisions regarding incomplete billing, arrears and bad debts. Using spatial reporting to reveal billing inconsistencies enables municipal management to see immediately where action is required and to measure the effectiveness of the corrective action.

TARIFF MODELLING HELPS WITH ACCURATE BILLING

Setting tariffs is a scientific exercise and municipalities were urged not to increase the existing tariffs year on year using a thumb-suck percentage escalation. Municipalities are mandated to improve the quality of life of their constituents and must be aware that increasingly the paying customer has the power to determine service delivery. Census data should be used to inform tariffs and budgeting. If a municipality has a growing population but fails to increase its capacity for delivery, then this should be questioned. One speaker stressed that it was immoral to increase water tariffs when the management of water losses were neglected.

THE CONSUMER PROTECTION ACT SHOULD NOT BE FEARED

The Consumer Protection Act (CPA) was enacted to protect consumers, especially the poor, illiterate and vulnerable. The CPA interfaces with other legislation: The Municipal Systems Act, the Batho Pele principles and the King Reports. All of these promote good governance, transparency and fairness to the consumer. Municipalities may not discriminate against communities unfairly but it was stressed that fair discrimination is endorsed. Municipalities offer free basic services to the indigent, and rates relief to pensioners. The CPA states that communication must be through the use of plain language.

Increasing municipal revenue is about doing a number of basic steps well, and properly documenting the steps. Municipalities that are still struggling with this should seriously consider enlisting expert help, as increasingly active consumers are not going to settle for below-par service delivery. ●

About the author:

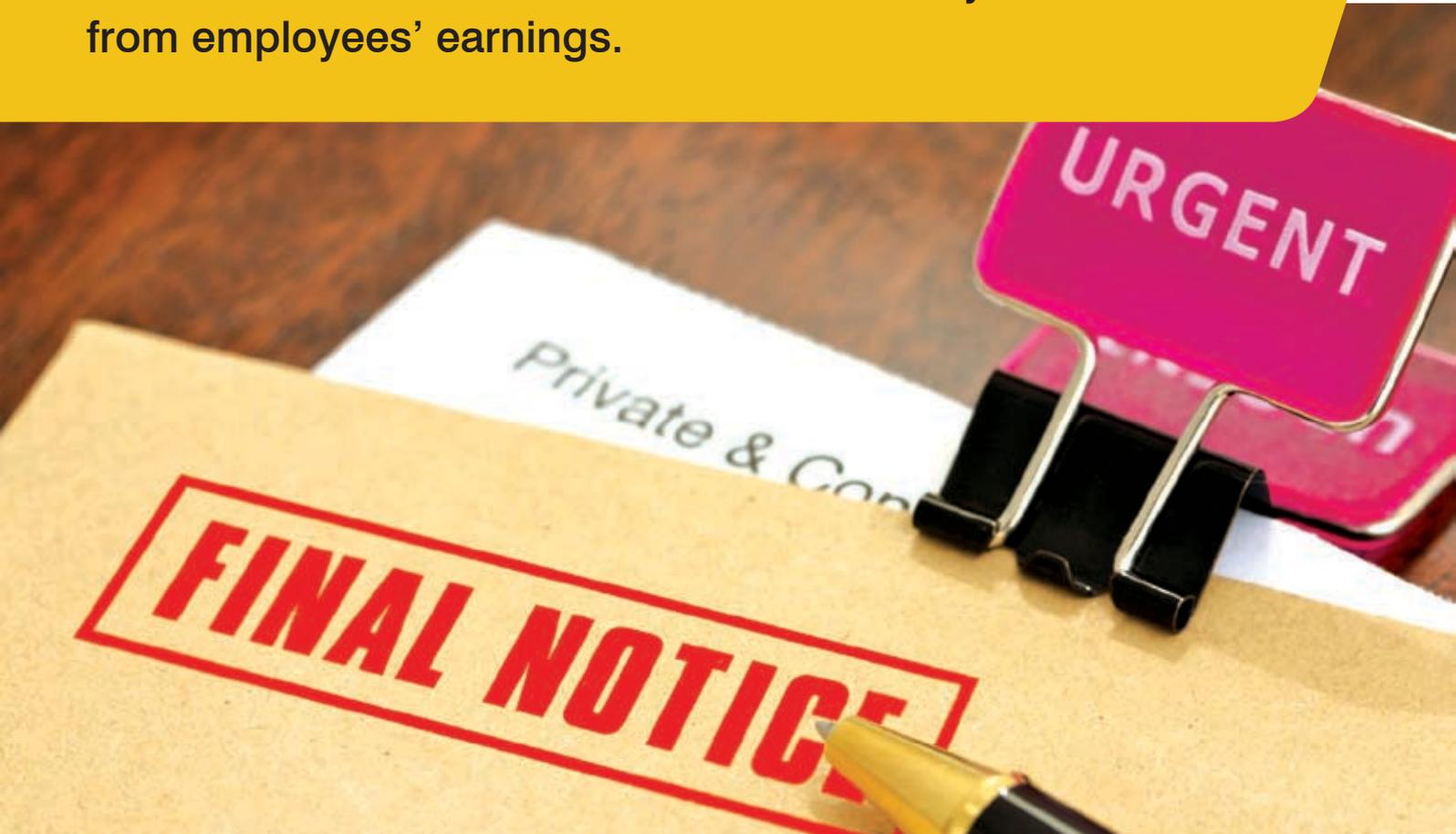
Janet Channing (BA MPhil NDPV) is the Managing Director of MetGovis and a registered property valuer. She has a wealth of experience in local government support and project management specialising in the municipal rating and valuations.



THE LEGALITY OF EMOLUMENT ATTACHMENT ORDERS

by Brian Young, Chief Operations Officer, IMFO

Possible tips and pointers for CFOS to determine the legality of emolument attachment orders before they are deducted from employees' earnings.



As commodity prices rise and the price of petrol rises South African Citizens are feeling the credit crunch reducing the buying power of disposable earnings and even reducing the disposable earnings of the average man in the street. Numerous people are even finding it impossible to make ends meet and pay their obligations and feed their families. Some of these people resort to borrowing money from wherever and they end up in debt traps that place them in a predicament where they stand to lose their houses and their belongings. These people often become the prey of unscrupulous debt collectors who collect the money owed to their creditors and impose massive penalties on the debtor, sometimes legal and other times totally illegal. These debt collectors

often by-pass the proper procedures to obtain judgements by using illicit networks and tricks of the trade to ensure that the debtor has no recourse, or recourse is made extremely difficult. These findings were made by the University of Pretoria Law Clinic which carried out a research project called: "The incidence of and the undesirable practices relating to garnishee orders in South Africa."

The following paragraphs illustrate some of the findings:

- **JURISDICTION**

Even though section 65(j)(1)(a) of the Magistrates Court Act clearly states that the emolument attachment order must be issued from the jurisdiction in which the employer of the judgement debtor resides or carries on

THE LEGALITY OF EMOLUMENT ATTACHMENT ORDERS

business or is employed, or if the judgement debtor is employed by the State from the jurisdiction where the judgement debtor is employed, THIS CLAUSE IS OFTEN NOT APPLIED. It is agreed that that this provision was made for the benefit and convenience of the employer or the employee who wishes to apply to court for amendment, suspension or rescission of such order.

This provision is circumvented by CREDITORS OBTAINING CONSENT FROM IGNORANT CONSUMERS to the jurisdiction of specific or other courts. In other instances THIS PROVISION IS SIMPLY NOT ENFORCED by clerks of the Civil Court.

Issuing the emolument attachment order from a court often situated far away from the employer/employees MAKES IT EXTREMELY DIFFICULT FOR THE EMPLOYER/EMPLOYEE and unlikely for the debtor or his employer to challenge the order.

QUESTION: *Are all of the requirements pertaining to jurisdiction correctly applied in terms of the law?*

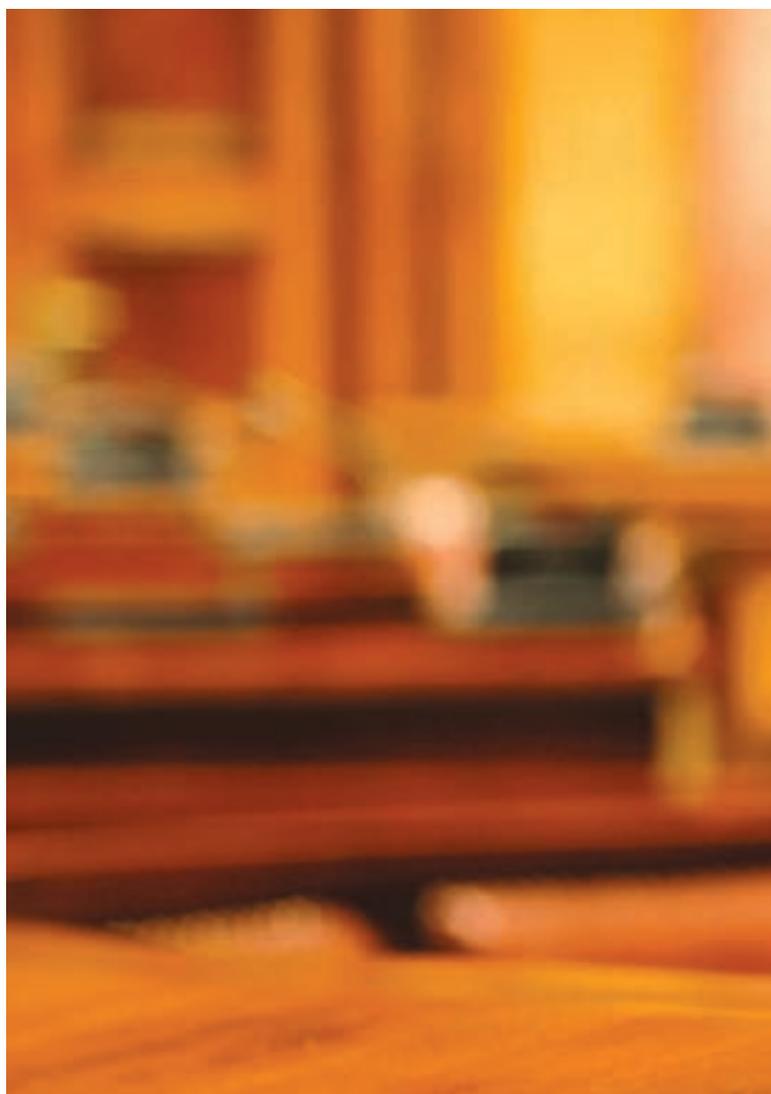
REQUIREMENTS FOR OBTAINING EMOLUMENT ATTACHMENT ORDERS

An emolument attachment order can be obtained in one of three instances:

- Where the court has so authorised
- Where the judgement debtor has consented thereto; or
- In terms of 65J(2)(b)

The second and third instances create problems. In the case of a written consent, the clerk of the court HAS NO WAY OF VERIFYING THE AUTHENTICITY OF THE SIGNATURE OF THE DEBTOR or the reasonableness of the instalments consented to or even the circumstances under which the consent was obtained.

In the third instance the judgement creditor or his attorney is required to send a registered letter to the judgement debtor, informing him of the judgement and of the fact that an emolument attachment order will be issued if the amount is not paid within 10 days. NO



MENTION IS MADE OF THE INSTALMENT that will be applied for. The judgement creditor or his attorney must also file an affidavit or a certificate by his attorney setting forth the debt, costs and proposed instalments. These are not served on the employer or the employee, with the result that the employee only becomes aware OF THE AMOUNT TO BE DEDUCTED AFTER SERVICE OF THE EMOLUMENT ATTACHMENT ORDER ON HIS EMPLOYER OR AFTER THE DEDUCTION HAS BEEN EFFECTED. There is no enquiry into the financial affairs of the debtor and the creditor often decides unilaterally on the amount of the instalment. Neither the creditor nor the clerk of the court granting the emolument attachment order is aware of the existence or not of other garnishee orders.



- **Consent to Judgement**

In many cases debtors stated categorically that they never signed consent to judgement even though judgement was granted on such basis. In some instances the debtors alleged duress or misrepresentation. Cases of blank consents, incomplete documentation and forgery of signatures are reported on.

- **Service**

Section 65(J)(3) requires the emolument attachment order to be served on the employer by the sheriff. The emolument order is not served on the employee. Service is often affected at the head office of the employer whilst the employee could be working at a

branch office in a different province. The opposite also happens whilst the payroll is administered at a provincial or national branch office or even outsourced. This state of affairs creates delays in payments and the incurring of further legal costs when a warrant of execution is served on the employer.

- **Judicial Oversight**

The exclusion of the discretion and supervision of presiding officers in the granting of and determination of the deductions to be made comes at a heavy price. In many instances, clerks of the court lack the knowledge and skill to effectively and efficiently administer these orders.

THE LEGALITY OF EMOLUMENT ATTACHMENT ORDERS

- **Letters of Demand**

Unlike the National Credit Act the Magistrates Court Act does not prescribe a given format for letters of demand. Some of the letters are misleading and are styled and formatted in such a manner that they resemble a summons or court process.

- **Lack of Statutory Cap on Amounts to be Attached**

While, Regulation 23.3.6 of the Public Finance Management Act 1 of 1999 caps the emoluments attachment orders to 40% of the State Employees Salary, no such cap exists for debtors employed in the private sector.

QUESTION: *Are the three methods of implementing emolument attachment orders applied correctly in terms of the legislation and are the caps enforced in the case of a public servant?*

- **Obtaining Issuing and Service**

The jurisdiction was frequently ignored. The orders were forthwith issued by the wrong court, mostly for the sake of the collector's convenience, frustrating redress. Sometimes false orders were processed through fraudulent documentation forwarded to employers. Orders were in some instances not served by the sheriff but by an agent or lay person.

QUESTION: *Were the jurisdiction requirements complied with and was valid legal documentation that was compiled by the sheriff forwarded to employers?*

- **Overcharging**

Unlawful and burdensome charges were found to be added to the capital amount of the original debt in numerous cases. The worst instance of exploitation and overcharging was contingency fees of 25% added by collectors to the capital amounts, instead of these fees being deducted from the money collected. Added to this 25% was a further "double entry" for collection costs which are allowed normally per instalment up to a certain maximum.

QUESTION: *were all charges debited against the debtor raised in terms of the prescribed guidelines at the correct tariffs?*

- **Lack of Communication**

Insufficient communication between employer/payroll administrator and employee created late payments, issuing of further court process and continued deductions even after the setting aside of emolument attachment orders by court.

QUESTION *Is the debtor fully informed of all emolument attachment orders to be deducted from his salary before pay day?*

- **Alterations effected after Issuing**

A number of emolument attachment orders perused contained alterations effected in ink. It was unclear whether these were effected before or after issuing of such orders and who was responsible for these alterations.

QUESTION: *Are there any deletions, corrections and amendments effected on the emolument attachment order that are not traceable?*

- **Duplication of Orders on the Same Debt**

There are cases where more than one judgement and/or more than one emolument attachment order arising from the same debt were obtained and were identified.

QUESTION: *Is the emolument attachment order an original and not a duplicate of one issued previously?*

From the aforementioned it can be seen that when a person is compromised you are a target for unscrupulous credit collection practitioners who without mercy or pity for your circumstances will compound your predicament in order to expropriate all of your possessions. Be warned and live WITHIN YOUR MEANS and only purchase what you can pay in cash. ❶

Acknowledgements

University of Pretoria Law Clinic: October 2008: research paper: "The incidence of and the undesirable practices relating to garnishee orders"



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WOMEN
WOMEN
WOMEN



Interview conducted by Nkateko Ngobeni, intern IMFO

Women are a strong hold of the nation, women build, women encourage, and women are always willing to fight for what they believe in. They are true fighters of the generations, even being undermined they still strive for success. They carry loads of burden and smile through the pain.

This quarter in the IMFO Journal we look at women who have strived for success in a very male dominated position where women have worked their way to the top and have strived to reach for the stars.

We take time to celebrate and ask a few questions to women CFO's in municipalities, getting to know them better.

Nkateko Ngobeni: Tell us about yourself?

Sibongile Mbili: I am Sibongile Mbili, born on the 13th April 1983 in Mthwalume Area within the Umzumbe Local Municipality which is one of the Local Municipality's under

Ugu District Municipality. I am single with 2 children. I am from a family of 11 children. I was born a twin with my brother Msizi Mbili. I love shopping which is not a common hobby for accountants, so my budget always has a contingency to satisfy my craving for dresses and bags.

Nkateko Ngobeni: Who /what inspired you to get to where you are right now?

Sibongile Mbili: Growing up, I was an A grade student in Mathematics, later in Physics and Accounting. I therefore had a passion for numbers and anything with too much theory would put me off. I am also a very strong feminist. Growing up I was always excited to see females being successful in their respective fields, be it music, politics, career or sports. At that time we had the likes of Felicia Mabuza who had a successful talk show, Sibongile Khumalo, Lebo Mathosa, and Natalie Du Toit. I was also very conscious of the other challenges facing women most of which were being experienced by my mother. Living with my



“The strength of a woman is not measured by the impact that all her hardships in life have had on her; but the strength of a woman is measured by the extent of her refusal to allow those hardships to dictate her and who she becomes.” C. JoyBell C.

mom I witnessed firsthand the challenges women face. I was then inspired to work hard and to pursue my passion for numbers in the accounting field. I believe that women have a greater role to play in this country. We experience the social issues at first hand and we are naturally created to nurture. Our hands were anointed by God such that everything that we touch prospers and we mustn't undermine our capabilities. This belief has sustained me and inspired me to be where I am today. My biggest role model is my mother. She didn't have the opportunities that life has thrown at me, but she always knew what the best path to choose was. She was always supportive.

Nkateko Ngobeni: In the past the CFO position was dominated by male, as a woman what were some of the struggles you faced being in the position you are in today?

Sibongile Mbili: Male or female, this is a challenging position. Besides being a woman, I am also very petite. The support of other colleagues and my credentials and dedication assisted in gaining the respect of my subordinates and principals. Being a CFO, you are placed at the forefront of fighting corruption and fraud. Local government is perceived as being the most corrupt level of government. I have always acted in the best interest of the municipality and the people that we serve and I believe that on its own has gained me some respect as well. People appreciate when they see restoration of the principles of good governance in our sphere.

Nkateko Ngobeni: Tell us more about your motto in life?

Sibongile Mbili: Do unto others as you would them do unto you. I always help where I can. That is why I am in local government and would like to stay in local government. Then I can combine my passion for numbers with passion for helping others.

Nkateko Ngobeni: Looking at where you are now, how can you motivate someone to strive for the success you have accomplished?

Sibongile Mbili: Always give more than 100% effort. Never doubt yourself. Only the sky is the limit. Each day strive for excellence in all that you do.

Nkateko Ngobeni: Where do you want to be in a few years to come and how can you motivate others to get there?

Sibongile Mbili: I have been a CFO for a year now. I still want to contribute towards the turnaround of local government. I would like to join the forensic audit profession after the end of my contract term.

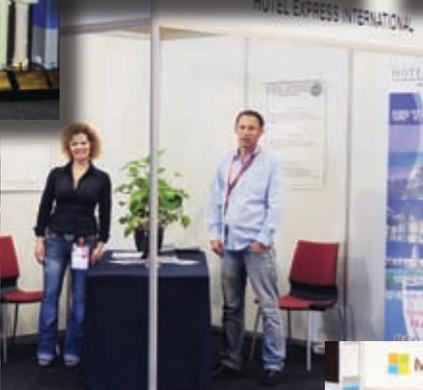
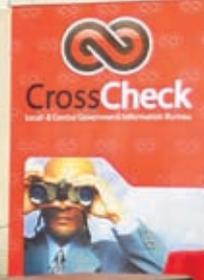
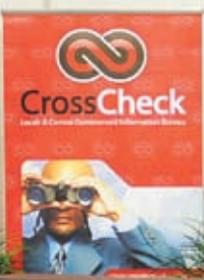
It's pretty clear that success goes hand in hand with a lot of hard- work, determination and patience. I was in awe to meet so many successful women at the annual conference. I was inspired to learn that I too can bring change to this generation.

All women should start registering for the Women in Local Government Finance Seminar sponsored by PWC. Contact the IMFO Office for more information in this regard. 

IMFO would like to thank all 2013 Annual Conference exhibitors for supporting our event.



Thank You!



IMFO would like to thank all 2013 Annual Conference exhibitors for supporting our event.



Thank You!





IN & AROUND IMFO

Conference Overview - AWARDS



Branch of the Year 2013 –
Western Cape Branch



Cllr. Fawzia Peer, Chairperson Finance,
Executive Committee Member,
eThekweni Municipality,



Makhado Local Municipality –
Internal Auditor of the Year 2013



Kevin Jacoby, Merit Awards



Hon. Lechesa Tsenoli, Minister of COGTA



City of Cape Town –
Chief Risk Officer of the Year 2013



Sidwell Mofokeng, Merit Awards



Sidwell Mofokeng,
General Vice President, IMFO



Branch of the Year 2013 Equity –
Northern Cape Branch



Jane Masite, Merit Awards



Louise Muller,
President of IMFO



Branch of the Year 2013 Runner Up –
KwaZuluNatal Branch



Chris Nagooroo, Honorary IMFO Awards

Clean Audit Awards

Clean Audit Award to Umtshezi Municipality
Clean Audit Award to Waterberg District Municipality
Clean Audit Award to Ehlanzeni District Municipality
Clean Audit Award to Steve Tshwete Local Municipality
Clean Audit Award to Langeberg Local Municipality
Clean Audit Award to West Coast District Municipality
Clean Audit Award to George Municipality
Clean Audit Award to Swartland Municipality
Clean Audit Award to Mossel Bay Municipality



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Conference Overview - PRESIDENTS FUNCTION

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Conference Overview - SPEAKERS

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Patrick Roy Mnisi, IMFO CEO



Sidwell Mofokeng, IMFO Board Member



Muthotho Sigidi, COGTA



Sibusiso Sithole, eThekweni City Manager



Schalk Human, Accountant General



Bongzi Kunene, Standard Bank



Kimi Makwetu, Deputy Auditor General



Cllr. Fawzia Peer, eThekweni Municipality,
Executive Committee Member, Chairperson Finance



Kim Swift, IMFO Board Member



Kevin Jacoby, City of Cape Town



Krish Kumar, eThekweni Metro Municipality



Dr David Molapo, Motivational Speaker proudly
sponsored by DBSA



Themba Mthethwa, Public Protector RSA



Lungelwa Dzulisa, SALGA

Conference Overview - FEEDBACK FROM DELEGATES

IN & AROUND

It was my 1st conference but I'm so overwhelmed by the valuable information I learnt and the awesome organised conference. A BIG THANK YOU. Till we meet
*Patience Leburu - CEO
 Ratlou Municipality*

It was worth the time spent, informative & developmental
*Lawrence Mabunda
 Matlosana City Council*

Thank you very much for a well co-ordinated IMFO Conference. I learned a lot and have enjoyed it.
 From Sandy

*Lebese, Councillor
 City Of Tshwane*

Most useful serving as a reminder to remember the actual purpose of Municipality. Good work still to come for another 84 yrs and looking forward to it.

*Rita Leven
 Sol Plaatje Municipality*

I THOROUGHLY ENJOYED THE CONFERENCE. I HAVE 3 YRS TO RETIRE - EVERY SESSION WAS INFORMATIVE, ENRICHING & VALUABLE. I WOULD LIKE TO IMPART KNOWLEDGE GAINED TO MY JUNIORS. KEEP UP THE GOOD WORK IMFO. ORGANISERS HAVE DONE A GREAT JOB. WILL ALWAYS SUPPORT YOU. REGARDS -

Willie: Mandeni Municipality.

We thank you for the well organised and empowering conference.

**Malaki Magagula
 Mbombela Municipality**

Thank u for all the good information and expanding our knowledge.

*Meisie Moabi
 Bojanala Platinum
 District Municipality*

It was a tremendous success. Quality content.

**Lulamile Mapholoba,
 Municipal Manager
 Mandeni Municipality**

Thank you very much for hosting an informative conference and it is very professional indeed.

**Zweliphantsi Sikhosana
 Umzimkhulu Municipality**

Thank you for your marvellous speeches, advices about the clean audit and also about financial management. Well done.

**Vincent Madlala
 Emnambithi Municipality**

It was a fantastic conference, please indicate when the presentations can be accessed on the web.

**Komape Mphago
 Mogalakwena Municipality**

We had a FABulous time in Durban - Dr Molapo was the cherry on the cake. - some good papers were presented - thank you once again
 God Bless

**Eugene Baise
 Sol Plaatje Municipality**

The theme for the day put emphasis on legislation. Municipalities should not regress on implementing laws and regulations. We as officials have a great responsibility to implement these Acts.

*Margaret Thobejane
 Ekurhuleni Metropolitan
 Municipality*

Oh thanks to IMFO, the conference was really a success and we really got some lessons to change the state of our municipalities. IMFO rocks!

*Samuel Uwane
 Ephraim Mogale
 Municipality*

The quality of the program, speakers, exhibitors and publications IMFO Annual Report and daily update exceeded all expectations congrats to all concerned and a Serene President Ms Muller

Goosain Abrahams

I must thank you IMFO because we learnt a lot from you, and I hope our municipality will copy the best practices from those municipalities that are doing well. Thank

**Fridah Mangoathe
 Member Of Mayoral Committee: Finance
 Madibeng Municipality**



President: LA Muller (Ms)

Vice-Presidents: JS Masite (Ms), LS Mofokeng **Past President:** C Nagooro

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Co-opted Members: KT Swift (Ms), CA De Lange, WI Louw, J Geyer (Ms), KT Jacoby, KA Kumar, GD Van Schalkwyk, AL Van Schalkwyk (Ms), KA Pillay, MF Manuel, PJ Du Plessis, A Dyakala, J Mettler.

IMFO STAFF MEMBERS 2013/2014



Left to right Front Row: Ira Kotze, Tebogo Masipa, Tracey Hoffman, Patrick Roy Mnisi, Brian Young, Lindi Nolte, Elsie Mlangeni.

Left to right Back Row: Nonhlanhla Shongwe, Lydia Makopo, Getrude Tsotetsi, Magda Meyer, Ocean Makalima, Nkateko Ngobeni.

Training courses presented in 2014

IN & AROUND IMFO



TOPICS	PROVINCES
ASB GRAP	Selected
Assets Accounting	9
Cash and cash Management	9
Consumer Protection Act	Selected
Cost Accounting	9
Credit control and debt collections	9
Customer Care	9
Data Collection	9
Financial & Performance Reporting	9
GRAP Annual Financial Statements	9
Management Accounting	9
New GRAP Standards	9
Preparation of Audit File	Selected
Project Management	Selected
Revenue Management	9
Supply Chain Management	Selected
Value Added Tax	9

Currently the office is busy with the following training programmes:

- SDBIP – Performance Management
- Budgeting
- Auditing of Supply Chain Management
- Financial Modelling
- In-house training (ON REQUEST)

MEMBERS PLEASE NOTE
THAT THE FINAL SCHEDULE
WITH DATES AND VENUE WILL BE
SENT TO YOU BEFORE THE
END OF NOVEMBER.



Officials to go back to school

The Mercury

Source: <http://www.iol.co.za/news/south-africa/kwazulu-natal/officials-to-go-back-to-school-1.1595073>

October 21 2013 at 01:01pm

By Gugu Mbonambi

Durban - Some of the eThekweni Municipality's most experienced and efficient officials do not meet the national treasury's competency guidelines for local government officials and will have to take extra lessons.

But they are not happy about it and argue that their experience and insight should count for something. To achieve a competency certificate, the officials have to attend lectures and submit assignments.

Speaking in his personal capacity, the municipality's head of revenue, Peet du Plessis, who is among those who must go back to school, said there had been a lot of change in local government and some officials, now regarded as incompetent, had kept the "boat afloat" during the transformation, even helping to draft the new legislation.

Du Plessis said department heads and municipal managers needed a certain level of qualification and had to belong to a professional institute.

For example, chief financial officers (CFOs) had to belong to the Institute for Municipal Finance Officers and have the relevant tertiary qualification.

The Municipal Accountants Act 21 of 1988 was clear that a municipality could not appoint a CFO who was not registered with the Board of Municipal Accountants.

Du Plessis said the act had been in place until those now pushing for minimum competency decided it should be repealed. This was done with the promulgation of the Municipal Finance Management Act in 2005.

"Not only was the national treasury directly responsible for the vacuum that led to the appointment of some incompetent people as CFOs, but they have also, with the stroke of a pen, taken away a person's professional qualification."

But eThekweni transport authority head Thami Manyathi said he had no issue with the competency requirements. He believed it was important to have standards to work towards because some officials performed below expectations.

Responding to The Mercury's questions, eThekweni's deputy city manager for finance, Krish Kumar, said all municipal staff had the necessary qualifications and experience to do their jobs.

Kumar said the competency requirements were to "regulate the local government environment" and ensure increased efficiency in areas such as budgeting and financial and supply chain management.

He said 125 staff had started training and would complete the course by June 2014. An additional 200 accounting staff would also be trained.

"There is leniency for senior managers in the training to not attend all lectures, to allow them space to continue with their daily responsibilities, as the requirements are onerous. "The municipality has the budget and funds are provided in terms of the Seta funding for the identified 325 officials. There are 15 modules per individual at a cost of R3 000 each."

Treasury spokesman Phumza Macanda said the database showed that most officials met three of the four set requirements.

These included a higher education qualification, work-related experience and core managerial and occupational competency levels.

Macanda said most municipalities had only recently attempted to acquire the fourth requirement "on sector-specific competency levels under financial management and supply chain management".

This was because training for some started late, while others were not interested or didn't understand the issues surrounding the regulations.

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IMFO Conference: Financial knowledge shared in eThekweni

October 10th, 2013

Source: <http://www.servicepublication.co.za/articles/IMFO-Conference-8882.html>

The Public Protector, Thuli Madonsela, South Africa's Auditor General, Kimi Makwetu and KZN MEC, Nomusa Dube, were among the keynote speakers at the recent Institute of Municipal Financial Officers (IMFO) Conference hosted by the eThekweni municipality.

IMFO provides a platform for stakeholders to exchange ideas knowledge, best practices and products for service excellence and maximum financial performance. IMFO aims to provide within the statutory framework, effective financial accounting advice, as well as settling and maintaining high financial standards and controls in the area of Local Government.

The Chair of the Finance and Procurement Committee, Fawzia Peer, told the more than 1700 delegates at the 84th IMFO Conference, hosted in conjunction with Standard Bank and PricewaterHouseCoopers, that in terms of Local Government and the public sector, tremendous progress has been made. Over 3.1 million houses have been built, more than 6 million new households have gained access to clean water and more than 5 million households have been connected to electricity.

"As we enter the 20th year of our democracy next year, I would like you to do some hand-holding and ensure full compliance. A key issue in this regard is the goal to achieve clean audits by 2014. Due attention needs to be given to this issue. We should not be debating the issue of service delivery versus compliance. We should be achieving both.

"Over the past two years there has been a huge focus on supply chain management in municipalities, in particular the R14 billion in irregular expenditure incurred across the country. Whilst we can defend this and argue that it relates mainly to procedural issues, it is still an issue of non-compliance. It is a concern. In this regard, we require appropriate SCM

systems, skilled staff, training, and zero tolerance towards non-compliance and fraud and corruption. Appropriate sanctions should be instituted against staff who repeatedly do not comply. They must face disciplinary action otherwise the expenditure should not be regularised," Peer said.

Apart from the SCM regulations, there are several other areas of compliance in terms of the Municipal Finance Management Act (MFMA) and the Municipal Systems Act.

"We also cannot ignore the issue of sustainable local government. Due attention must be given to revenue management, expenditure, provision of services, and asset management in terms of rehabilitation and replacement costs. Optimisation of revenue collection is a key issue. In addition, we need to grow the rates base by promoting growth and attracting new businesses. As regards expenditure, whilst we have pressing demands, we need to ensure a balance between social, economic and rehabilitative expenditure. Prioritisation of expenditure in the longer-term is also important to enable us to deliver on our promises to our people. Furthermore, we must ensure that our tariffs are affordable to enable our communities to pay," Peer concluded.

New Auditor General, Kimi Makwetu, to Address the IMFO Conference

01 October 2013

Source: <http://www.themarketingsite.com/live/article/new-auditor-general-kimi-makwetu-to-address-the-imfo-conference/34575/#sthash.PviMjbuU.dpuf> www.themarketingsite.com › Home › News › October 2013

Durban, 30 September 2013, IMFO is honoured to host Mr Makwetu as a speaker at the 84th annual IMFO Conference taking place at the Durban

ICC. On Tuesday evening IMFO will also be honouring municipalities that received a clean audit report (or audit reports that were unqualified with no matters of emphasis) for the 2011/12 financial year.

The term in office of the current Auditor General, Terence Nombembe, expires at the end of November of this year. He will then commendably have served as Auditor General for a full seven years. The Auditor-General's office has been in existence for a period of over 100 years and it has always enjoyed high esteem in both government and public circles. In terms of the Constitution it is classified as a Chapter 9 Institution and its mandate is to report on the finances of all national, provincial and local government administrations. It has the discretion to audit any institution that receives money for a public purpose.

The Auditor General reports to SCOPA, the Select Committee on Public Accounts of Parliament.

IMFO, as professional institute, shares respect for the important role of the Auditor General, in spite of the fact that annual audit opinions concerning local authorities have often not been favourable. IMFO's resolve to develop human capital and ensure clean audits in future is going ahead full steam.

Mr. Thembekile Kimi Makwetu takes up the position of Auditor General in December. He has been serving as Deputy Auditor-General for six years. He is a qualified chartered accountant and was born in Cape Town and studied at the University of Cape Town. He obtained his B.Compt. Hons. degree from Unisa in 1997. He has been employed in Standard Bank and Nampak, before serving as partner and head of Deloitte's forensic auditing unit.

A new broom sweeps clean and IMFO members can expect him to continue setting high standards in future. We wish him well in his new appointment and look forward to working with him in serving our democracy. 



**STAY
ALERT**

The Minister for Rural Development and Land Reform intends introducing the Property Valuation Bill, 2013 in the National Assembly during the fourth quarter of 2013. The explanatory summary of the Bill is hereby published in accordance with Rule 241(1) (c) of the Rules of the National Assembly.

The Bill provides for the establishment, functions and powers of the Office of the Valuer-General; the appointment and responsibilities of the Valuer-General; the regulation of the valuation of property that has been identified for land reform as well as property that has been identified for acquisition or disposal by a department; and to provide for matters connected therewith.

A copy of the Bill can be found on the website of the Department of Rural Development and Land Reform (www.ruraldevelopment.gov.za).

PUBLICATION OF THE PUBLIC ADMINISTRATION MANAGEMENT BILL, 2013 IN TERMS OF RULE 186 OF THE NATIONAL COUNCIL OF PROVINCES

(Government Gazette 37029 of 14 November 2013, Notice 1105)

The Select Committee on Co-operative Governance and Traditional Affairs, on the request of the Minister for the Public Service and Administration, intends introducing the Public Administration Management Bill in Parliament during November 2013.

Prior to its introduction in the National Assembly in November 2013, the Bill was published in Government Gazette No. 36981 of 30 October 2013 in accordance with Rule 241(1)(c) of the Rules of the National Assembly. The Bill was withdrawn from the National Assembly on 12 November 2013 with the intention to introduce it in its current form in the National Council of Provinces.

The Bill together with the memorandum on the objects has been published.

During the briefing to the Parliamentary Committee in November 2013, Advocate Menzi Simelane, legal advisor to the Minister, said the Bill sought to achieve the national legislation of promoting the values and principles listed in subsection 1 of the Constitution, which dealt with the management of public administration. The scheme of the Constitution stated that resources should be shared equally in society, with regard for the history of the country. In order to do this, the government needed to be structured in accordance with the scheme of the Constitution. This was not the case, however. For example, the best areas in the country had been those serviced by national and provincial governments. Those areas serviced by local government had been left out. Therefore there was a need for government to ensure that there was an equitable distribution of resources across the country. The PAM Bill sought to address this and ensure that future governments had been able to intervene directly and with purpose to improve lives. The Bill did not undermine the Constitutional mandate of local government, but sought rather to ensure compliance with the Constitution, by complementing public administration that had been integrated across the three spheres of government. The Bill also did not undermine the powers of the provincial governments. Each clause in this Bill sought to address a particular problem – it was about the management of public administration.

The Bill aims to:

- promote the basic values and principles governing the public administration referred to in section 195(1) of the Constitution;
- to provide for the transfer and secondment of employees in the public administration;
- regulate conducting business with the State;
- provide for capacity development and training;
- provide for the establishment of the National School of Government;
- provide for the use of information and communication technology in the public administration; to establish the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit;
- provide for the Minister to set minimum norms and standards;
- establish the Office of Standards and Compliance to ensure compliance with minimum norms and standards;
- promote compliance with the minimum norms and standards in the public administration; as well as
- empower the Minister to make regulations and provide for related matters.

Copies of the Bill can also be obtainable from the website of the Department of Public Service and Administration (<http://www.dpsa.ciov.za/legislation>) or the Government website (<http://www.gov.za/documents/Bills/2013>).

ADMINISTRATIVE ADJUDICATION OF ROAD TRAFFIC OFFENCES ACT (AARTO), 1998 (Act No. 46 of 1998) AS AMENDED ADMINISTRATIVE ADJUDICATION OF ROAD TRAFFIC OFFENCES REGULATIONS, 2013

(Government Gazette 37025 of 14 November 2013, Notice No. R. 869)

The Minister of Transport has in terms of section 34 of the Administrative Adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998), made an amendment to the regulations. This amendment includes a replacement schedule of the Issuing Authority codes for all municipalities and other authorised issuing authorities.

A new sub-regulation 13 under Regulation 14 must be noted: *Payments of penalties and fees in terms of an infringement made at any national, provincial or municipal issuing authority, or at any driving licence testing centre or registering authority under the control of such issuing authority that is not the issuing authority of the original infringement notice or at any driving licence testing centre or registering authority that are not affiliated to any issuing authority; shall -*

- (i) Upon receiving payment of penalties and fees, calculate and retain the collection fee as determined in terms of paragraph (c)(x) of Schedule 2 on the total amount received in terms of penalties and fees; and*
- (ii) Deposit the penalties and fees received, less the collection fee, into the AARTO bank account within a period of seven (7) days after the end of the month in which those penalties and fees were collected.*

INVITATION FOR STAKEHOLDERS TO SUBMIT WRITTEN COMMENTS ON ESKOM'S ALTERNATIVE TARIFF FOR MUNICIPALITIES

(Government Gazette 37004 of 8 November 2013, Notice 1091)

NERSA invited members of the public to submit comments on Eskom's alternative tariff application for municipalities.

The submission by Eskom is for the approval of an alternative municipality tariff called "Muniflex" which has been designed for municipalities with a predominately residential customer base mix in their area of supply. This submission has been made in compliance with the MERSA MYPD3 decision of 28 February 2013 which stated that "Eskom must ensure that alternate tariff options (other than time-of-use tariffs) are available to municipalities with a predominately residential load mix." These tariffs will be offered only as additional options to the existing basket of tariffs available to municipalities. In order to qualify for this new tariff, the following criteria must be met:

- The municipality must have a predominantly residential customer base mix at municipality level – not at account or point of delivery (POD) level;
- The predominant residential customer base mix is regarded as being where at least 60% of the consumption is residential at the total municipal level;
- High-voltage and Transmission-connected supplies will not qualify for the tariff.

The targeted implementation date is 1 July 2014.

This is the third in a series of documents that have been issued for written comment. The other documents were:

- The consultation paper on the review of the Municipal Tariff Benchmarks for the 2014/15 financial year;
- The Municipal Tariff Guideline and proposed timelines for municipal tariff approval process for the 2014/15 financial year.

All documentation is available on NERSA's website: www.nersa.org.za.

COMMISSION FOR GENDER EQUALITY AMENDMENT BILL: EXPLANATORY SUMMARY OF THE WOMEN EMPOWERMENT AND GENDER EQUALITY BILL

(Government Gazette 37005 of 6 November 2013, Notice 853)

The Minister of Women, Children and People with Disability intends introducing the Commission for Gender Equality Amendment Bill in Parliament during November 2013.

The draft Bill envisages to-

- To give effect to section 9 of the Constitution of the Republic of South Africa, 1996, in so far as the empowerment of women and gender equality is concerned;
- To establish a legislation framework for the empowerment of women, and the appointment and representation of women in decision making positions and structures; and to provide for matters connected therewith.

When enacted this Act will apply to all public bodies and private bodies designated by the minister. A "public body" is defined as:

- any department of state or administration in the national or provincial sphere of government or **any municipality in the local sphere of government**; or
- any other functionary or institution when-
 - o exercising a power or performing a duty in terms of the Constitution or a provincial constitution; or
 - o exercising a public power or performing a public function in terms of any legislation.

INFRASTRUCTURE DEVELOPMENT BILL

(Government Gazette 36980 of 30 October 2013, Notice 1078)

The Minister of Economic Development intends introducing the Infrastructure Development Bill into Parliament during November 2013.

The aim of the Bill is to:

- provide for the facilitation and co-ordination of public infrastructure development which is of significant economic or social importance to the Republic;
- ensure that infrastructure development in the Republic is given priority in planning, approval and implementation;
- ensure that the development goals of the State are promoted through infrastructure development;
- improve the management of such infrastructure during all life-cycle phases, including planning, approval, implementation and operations; and to provide for related matters.

EXPLANATORY SUMMARY OF THE RENTAL HOUSING AMENDMENT BILL

(Government Gazette 37050 of 19 November 2013, General Notice 1126)

The explanatory summary of the Rental Housing Amendment Bill records the amendments as being as follows:

- to fully stipulate the duties of National and Provincial Government with regards to rental housing;
- to clearly demarcate the rights and obligations of tenants and landlords ensuring that both parties understand their rights and obligations in terms of the Act;
- provide for all lease agreements entered into between tenants and landlords to be in writing; together with standard provisions that should be contained in a lease agreement;
- to qualify the application of Chapter 4 and to render the application thereof mandatory to all provinces;
- amplifying the provisions on the establishment of the Rental Housing Tribunals and to render the establishment of a Rental Housing Tribunal in every province mandatory – with an increase the composition of the members of the Tribunal to seven so as to ensure that the Tribunal is able to function as two committees with three members in each committee. Further provisions have been amended to empower the Tribunal to arrange and hold two separate but simultaneous meetings for purposes of effective functioning;
- to extend the powers of the Rental Housing Tribunals to rescind any of its rulings;
- to make the establishment of Rental Housing Information Offices in every local municipality mandatory;
- to enhance the penalty and offences provisions.

The Principal Act has been amended by an insertion of a new section 17A, providing for an appeal process against a decision of the Tribunal.

The Principal Act has been amended by the substitution of the expression "local authority", wherever it appears in the Act, with the expression "local municipality", to align the Act with the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

PROPOSED AMENDMENTS TO THE CODE OF PROFESSIONAL CONDUCT FOR REGISTERED AUDITORS

(Government Gazette 36923 of 18 October 2013, Board Notice 208)

The Independent Regulatory Board for Auditors (IRBA) has published "The Proposed Amendments To The Code Of Professional Conduct For Registered Auditors" for public information and comment. The proposed amendments to the IRBA Code of Professional Conduct are available and may be downloaded from the website of the IRBA at www.irba.co.za.

THE LAND MANAGEMENT COMMISSION BILL, 2013

(Government Gazette 36880 of 27 September 2013, Notice 964)

The Minister for Rural Development and Land Reform has published The Land Management Commission Bill, 2013 and Explanatory Memorandum, for public

comment. The objects of this Act are to establish the Land Management Commission to-

- maintain and establish a government data base of all state land registered in the name of a department including any surveyed unregistered state land; and
- adjudicate land ownership disputes in respect of which two or more title deeds have been issued on the same land parcel.

New Members



STUDENT MEMBERS					
PROVINCE	TITLE	INITIALS	SURNAME	DESIGNATION	EMPLOYER
KZN	Ms	FA	Madonda	Student	Durban University of Technology
KZN	Mr	M	Langa	Student	Durban University of Technology
LP	Mr	HS	Baloyi	Student	Tshwane University of Technology
GP	Ms	KC	Tlou	Student	Tshwane University of Technology
GP	Mr	SC	Khumalo	Student	Durban University of Technology
GP	Mr	EP	Makhubela	Student	Tshwane University of Technology
GP	Ms	KP	Malepe	Student	Tshwane University of Technology
GP	Ms	KT	Msiza	Student	Tshwane University of Technology
GENERAL MEMBERS					
GP	Mr	HS	Motaung	Financial Accountant	Makhumalo Consulting
NC	Mrs	OC	Mogodi	Councillor: Chairperson FCS	John Taolo Gaetsewe Municipality
KZN	Mr	MK	Nyoka	Trainee: Munic Budget Analyst	Provincial Treasury: KZN
NC	Mrs	SC	Mosikatsi	Executive Mayor	John Taolo Gaetsewe Municipality
NC	Mr	E	Makoke	Councillor: Chairperson MPAC	John Taolo Gaetsewe Municipality
WC	Ms	NM	Mlandu	Head: Special Accounts	City of Cape Town
WC	Mrs	C	Wiese	Evaluation Officer: SCM	Breedevalley Municipality
JUNIOR MEMBERS					
B-Swa	Mr	BSM	Dlamini	Town Treasurer	Matsapha Town Council
KZN	Ms	K	Govender	Intern: Finance	Umdoni Municipality
NW	Mr	LG	Moerane	Internal Auditor	Madibeng Municipality
FS	Ms	MT	Moloi	Acting: Chief Accounting Officer	Mangaung Municipality
GP	Mrs	AN	Magangane	Accountant	City of Tshwane
B-Swa	Ms	TJ	Dlamini	Acting: Senior Accountant	Municipal Council of Mbabane

KZN	Mr	NB	Nzuza	Chief Accountant	Uthungulu Municipality
EC	Ms	V	Sikiti	Intern: Finance	Buffalo City Municipality
KZN	Mr	BA	Msibi	Assistant Accountant	Ethekwini Municipality
NW	Ms	EL	Mbedzi	Senior Audit Clerk	Madibeng Municipality
LP	Mr	RW	Mokase	Accountant	Modimolle Municipality
FS	Mr	RG	Molifi	Accountant Clerk	Mangaung Municipality
GP	Mr	T	Serobetso	Chief Clerk	Midvaal Municipality
FS	Mr	B	Radebe	Accountant Clerk	Mangaung Municipality
KZN	Ms	NS	Dlungwana	Graduate Accountant	Ethekwini Municipality
KZN	Mr	MJ	Tshabalala	Graduate Accountant	Ethekwini Municipality
KZN	Mr	SJ	Msomi	Intern: Finance	Mandeni Municipality
KZN	Ms	S	Mbaligontsi	Creditors Clerk	Hibiscus Municipality
MP	Mr	NL	Sibanyoni	Intern: Finance	Steve Tshwete Municipality
KZN	Mr	KM	Xulu	Graduate Accountant	Ethekwini Municipality

LICENTIATE MEMBERS

FS	Mr	MV	Motolo	Accountant	Mangaung Municipality
GP	Ms	PP	Sebogo	Senior Internal Auditor	Madibeng Municipality
GP	Ms	PMS	Matjele	Manager: Internal Auditor	Madibeng Municipality
EC	Mr	S	Fokazi	Advisor: Municipal Finance	SALGA (EC)
MP	Mr	TS	Thamaga	Lecturer: Public Finance	Tshwane University of Technology
KZN	Ms	NC	Dladla	Accountant	Ethekwini Municipality

MEMBERS MEMBERS

EC	Mrs	PN	Yoyo-Mhaga	Manager: SCM	Mnquma Municipality
KZN	Ms	Z	Ngcobo	Municipal Finance Analyst	Provincial Treasury: KZN
GP	Mr	NE	September	Municipal Finance Analyst	Provincial Treasury: KZN
KZN	Ms	NT	Radebe	Risk Management Officer	Hibiscus Coast Municipality
FS	Ms	MN	Khiba	Manager: Budget	Thabo Mofutsanyana Municipality
KZN	Ms	NNP	Sihlongonyane	Revenue Manager	Ugu Municipality

X

Membership Details Update

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



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MFMA Reporting Requirements

Reporting Requirements

Reporting Requirements (Local Government Finance)

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

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

MONTH	NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
MARCH	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	Municipal Council, MEC (Finance) Nat Treas
	8	Exceedance of the Capital Budget	MFMA 31	Promptly	Municipal 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	Municipal 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 Accounting Officer	Acc Officer of parent Municipality
	19	Entity - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Accounting Officer	Acc Officer of parent Municipality
	20	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Accounting Officer	BOD of entity, Parent Municipality & 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, Municipality Mngr of parent Municipal
	23	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
	24	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Accounting Officer	Speaker of parent Municipality
	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 Accounting Officer	Nat Treas, Prov Treas, AG
	27	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Accounting Officer	Nat Treas

SAVE the Date



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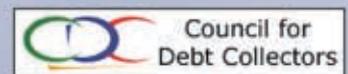
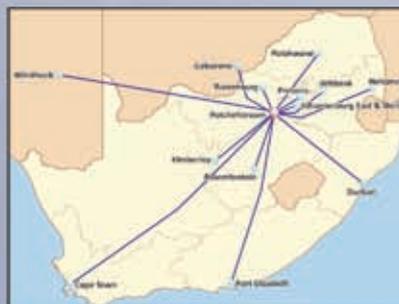


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