

A large circular collage in the background of the title section. It contains several images: a modern glass-walled building at the top; a woman with glasses and a laptop in the upper right; a hand dropping a coin into a slot with stacks of coins in the lower right; a man speaking into a microphone in the bottom right; a calculator with a red paperclip and coins in the bottom center; and an aerial view of a city coastline in the lower left.

CIGFARO ANNUAL CONFERENCE 2025

SUMMARY BOOKLET



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Reviewing the Fundamentals of Public Finance in a changing world!



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Pre – Masterclasses



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“In a constitutional democracy, the supremacy of the law demands transparency, integrity, and accountability in public finance—because citizens are not just beneficiaries, they are the rightful owners of the resources we manage”

Lucas Raphela

The National School of Government



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Essential Policies and policy provisions for excellence in public sector finance

Lucas Raphela
The National School of
Government

Highlights from the paper

- **Section 2 of the Constitution affirms the supremacy of the law in the Republic.** Any conduct that is inconsistent with the Constitution is invalid, and the obligations it imposes must be fulfilled across all spheres of government.
- **Basic values and principles—such as transparency—are essential** to ensuring ethical conduct and accountability. Transparency also plays a critical role in supporting state institutions that promote democracy, helping to build trust and integrity within the system.
- **Public finance policy is rooted in the Constitution**, which gives rise to key regulatory frameworks such as the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA). These frameworks outline the requirements for sound financial management in the public sector.
- In all our actions, we must recognize that **citizens are the primary stakeholders**—they are the owners of public resources and the beneficiaries of public services.
- **PFMA policy provisions promote practices such as strategic planning and budgeting**, which must align with government priorities. A strong emphasis is placed on performance management, ensuring that financial resources are linked to outputs and outcomes to deliver value for money.
- **MFMA policy provisions focus on strengthening financial governance at the local government level.** This includes promoting transparency through regular reporting, enforcing standardized budget formats, and encouraging results-based management.
- To achieve excellence in financial management, it is vital to **foster a culture of integrity and accountability in leadership.** Oversight and foresight by legislative bodies are key to ensuring transparency, alignment with performance objectives, and responsible stewardship of public funds.

Conclusion

- **Transparency is a foundational value that promotes ethical behaviour and strengthens the Republic's democracy.** It ensures that public institutions operate openly and are held accountable to the people they serve.
- **Effective policy implementation requires ongoing evaluation and review**, supported by strong interdepartmental collaboration to ensure coordinated and consistent execution across government entities.
- A policy must go beyond being a statement of intent. It should **foster meaningful partnerships with stakeholders** and cultivate an environment that encourages understanding, engagement, and ownership of its objectives.



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“Public procurement is not just a process, it is the foundation of service delivery and economic transformation. In a VUCA world, Supply Chain Management must rise beyond technical execution to become a catalyst for public trust and financial integrity.”

Dr Lawson Naidoo

Tshwane University of Technology (TUT)



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Supply Chain Management

Dr Lawson Naidoo
Tshwane University of
Technology

Highlights from the paper

- **Navigating the Supply Chain Crisis: Reviewing the Fundamentals of Public SCM in a VUCA World**
- **Public Procurement:** Public procurement accounts for approximately **15% of South Africa's GDP**, totalling around **ZAR 931.5 billion** in the 2021–2022 fiscal year.
- **Constitutional Foundation:** Section 217 of the Constitution mandates that public procurement must be conducted in a manner that is **fair, equitable, transparent, competitive, and cost-effective**.
- **SCM as a Catalyst:** Supply Chain Management (SCM) is positioned as a **catalyst for public finance integrity**. Strengthening SCM is essential to **restoring public trust** and **enhancing service delivery**.
- **The VUCA Environment:** South Africa's public sector operates in a **VUCA environment**—characterized by **volatility, uncertainty, complexity, and ambiguity**—which significantly impacts the effectiveness of SCM.
- **MAPS Assessment:** The **MAPS (Methodology for Assessing Procurement Systems)** provides a global benchmark for procurement excellence, focusing on **transparency, efficiency, and accountability**. South Africa's **2024 MAPS findings** reveal critical gaps and serve as the foundation for a **national call to action**.
- **Wicked Problems in SCM:** SCM challenges are evolving beyond compliance failures into **“wicked problems”**—complex, systemic issues with no clear solutions. Addressing these requires **strategic**, rather than purely technical, responses.

Conclusion

- Public procurement is not just a transactional activity—it is a **cornerstone of public service delivery and a lever for economic transformation**. In South Africa's **VUCA environment**—marked by volatility, uncertainty, complexity, and ambiguity—the effectiveness of **Supply Chain Management (SCM)** is under increasing pressure.
- SCM must be recognized not merely as a technical or compliance function, but as a **strategic catalyst** for:
 - Restoring public trust
 - Ensuring financial integrity
 - Driving inclusive economic growth
 - Improving service delivery outcomes
- To meet these challenges, SCM systems must evolve to address **“wicked problems”**—complex, systemic issues that require a holistic, multi-stakeholder approach, involving government, private sector, and civil society.



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“mSCOA empowers municipalities to overcome common budgeting errors, improve data integrity, and embed accountability across the Local Government Accountability Cycle.”

Zaheer Khan
National Treasury



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Understanding mSCOA Core Business Process Requirements for Budgeting

Zaheer Khan
National Treasury

Highlights from the paper

- Municipal Standard Chart of Accounts (mSCOA) reform, is aligned to Integrated Development Planning (IDP) and budgeting, and the system and process requirements for effective implementation across municipalities.
- **Common Errors in Municipal Budgeting:**
 - Incorrect use of balance sheet budgeting and VAT
 - Inaccurate opening balances
 - Misalignment of funding sources with functions and items
 - Poor revenue recognition for grants
 - Lack of provision for debt impairment and rebates
- **mSCOA Reform** aims to standardise municipal financial reporting to improve data integrity and transparency while ensuring alignment across the Local Government Accountability Cycle (IDP → Budget → Transactions → Reporting).
- **Impact on IDP and Strategic Planning:** IDP must be directly linked to budget segments and system functionalities must fully support the lifecycle of the IDP, and there has to be strategic planning tools in place to ensure long-term vision and alignment with budgets.
- **Benefits of mSCOA Reform:**
 - Improved audit outcomes
 - Better budgeting and decision-making
 - Enhanced oversight and transparency
 - Evidence-based financial management

Conclusion

The mSCOA reform is not just a financial reform but a business transformation initiative. It aims to embed accountability, improve service delivery, and ensure that municipal planning, budgeting, and reporting are integrated, transparent, and standardised.

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Day 1 Summaries



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“We need to continuously explore ways to enhance revenue generation in municipalities and further embrace 4IR and innovation in public finance to solve for inefficiencies.”

Executive Mayor Cllr Cyril Xaba
Mayor of eThekweni Municipality



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Host City Welcome Address

Executive Mayor
Cllr Cyril Xaba
eThekweni Municipality

Highlights from the Welcome Address

- **Delivering Value:** Add tangible value for practitioners and citizens by ensuring municipal services meet world-class standards.
- **World-Class Vision:** Position KwaZulu-Natal as a province of excellence, where citizens benefit from efficient, innovative public finance systems.
- **Modernizing Public Finance:** Adapt practices to current realities, including accurate and timely meter readings.
- **Technology Adoption:** Embrace digital solutions to drive efficiency and transparency in municipal operations.
- **Commitment to Change:** Define clear actions municipalities will take to improve service delivery and financial sustainability.
- **Sound Financial Solutions:** Implement robust strategies to strengthen municipal revenue streams.
- **Risk Management:** Build strong risk frameworks to improve credit ratings, boost revenue collection, and enhance customer satisfaction by resolving queries proactively.
- **Operational Improvements:** Reduce unread meters, improve reading accuracy, accelerate digitization, and reform tariff structures for fairness and sustainability.
- **Innovation and 4IR:** Leverage AI and other Fourth Industrial Revolution technologies to optimize processes.
- **Collaboration and Accountability:** Partner with the Auditor-General to address audit findings and implement effective action plans.

Conclusion

The Mayor emphasized the need for municipalities to continuously innovate and adopt modern technologies to boost revenue generation and enhance service delivery. By embracing Fourth Industrial Revolution (4IR) solutions, digitization, and artificial intelligence (AI), municipalities can reduce inefficiencies, improve customer satisfaction, and strengthen financial sustainability. Collaboration with oversight bodies, coupled with a commitment to sound financial practices, will ensure KwaZulu-Natal stays on a path of excellence—delivering real value to its citizens.



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“Always walk in the right path, God your creator will be by your side, on your side, for your side – at all times. The right path – is the way to live.”

Dr Emmanuel Ngcobo
CIGFARO, President



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CIGFARO Presidential Address & Opening of the Conference

Dr Emmanuel Ngcobo
CIGFARO

Highlights from the Opening Address

Dr Ngcobo emphasized that the core objective of this term of office is member-centric, prioritizing the needs and interests of CIGFARO members. This commitment has been demonstrated through five strategic initiatives:

- **Revitalization of International Chapters:** Chapters were successfully re-established in Eswatini, Zimbabwe, and Sweden, with plans underway to launch chapters in Lesotho and Namibia in the coming year.
- **Formation of a Global Public Finance Body:** A new international body was initiated to foster collaboration and set standards in public finance across borders.
- **Launch of the Young Professionals Forum:** A dedicated platform was created for professionals aged 18–35 to engage, grow, and contribute to the sector.
- **Establishment of the Women's Forum in the Public Sector:** This forum aims to empower and support women working in public finance and governance.
- **Creation of a Research and Advisory Function:** A new unit within CIGFARO was formed to collaborate with universities and academic institutions, enhancing research and thought leadership in public finance.

Dr Ngcobo also extended his appreciation to the Board, Secretariat, and CEO for their efforts in organizing the conference. He acknowledged Mr. Lunda Asmani, President of the Government Finance Officers Association (GFOA) of the USA and Canada. Originally from Tanzania, Mr. Asmani's journey exemplifies the power of dedication and perseverance.

Conclusion

The President concluded with a personal quote that reflects his values and the legacy by which he wishes to be remembered: *"Always walk in the right path; God, your Creator, will be by your side, on your side, and for your side—at all times. The right path is the way to live."*



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“A global community dedicated to cooperation and collaboration aimed at transforming the public finance industry was unveiled for the first time in South Africa.”

Nakisani Mathobo

CIGFARO, CEO



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Launch of the Global Federation of Public Finance Associations

Nakisani Mathobo
CIGFARO

Highlights from the paper

The Global Federation of Public Finance Associations was introduced as a newly formed international forum designed to foster connection, engagement, and collaboration across finance and governance disciplines. The Federation aims to create a space where diverse ideas and practices can be shared to advance the public finance industry globally.

As part of the launch, the official logo of the Federation was unveiled for the first time in South Africa, marking a significant milestone in international cooperation. The Federation brings together founding member countries committed to its vision, including:

- South Africa
- United States of America
- Canada
- Eswatini
- Zimbabwe
- Sweden
- India
- Brazil
- Australia
- Georgia



To formalize this collaboration, a Memorandum of Understanding (MOU) was drafted and signed by representatives of the participating countries present at the conference.

Conclusion

The presentation closed with a powerful statement that captured the essence of the initiative: ***“A global community dedicated to cooperation and collaboration aimed at transforming the public finance industry was unveiled for the first time in South Africa.”***



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**“It’s not about us who are leading today;
but those that live tomorrow.”**

Hon Thami Ntuli
Premier of Kwa-Zulu Natal



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Keynote Address : Reviewing the Fundamentals of Public Finance in a Changing World

Hon Thami Ntuli
KZN Premier

Highlights from the paper

- **Changing Landscape of Public Finance:** AI and automation are reshaping how financial data is managed, analysed, and reported.
- **Non-Negotiables:** Ethical leadership, sustainability, and institutional resilience remain critical.
- **Lessons from Past Shocks:** KZN's recovery from multiple crises shows resilience depends on sound financial management and public trust. State capture eroded credibility, resources, and institutional strength among finance leaders.
- **Erosion of Skills:** Cadre deployment prioritized loyalty over competence, while skills flight weakened capacity.
- **Audit Performance:** 140 municipalities achieved clean or unqualified audits—just 55% overall. Over 70 cents of every rand is spent in these municipalities, signalling progress, though smaller ones remain vulnerable.
- **Persistent Challenges:** Corruption persists, audits lag, and cybersecurity threats undermine confidence. A 2025 UKZN study warns rising cybercrime risk drives outsourcing of ICT functions, eroding sovereignty.
- **Urgent Actions:** Rebuild skills and trust, strengthen cybersecurity, contain costs, boost revenue, align budgets with measurable outcomes, and enforce consequence management. Lifestyle audits and fraud investigations are vital to restoring trust.
- **Fiscal Discipline:** Despite R66.9 billion in cuts, KZN reduced over-expenditure from R9 billion to R5 billion. Financial leaders must be technically competent and ethically grounded.
- **Call to Action:** Uphold integrity and accountability—today's decisions shape future generations.

Conclusion

The Premier emphasized that as KZN rebuilds from state capture, financial systems must rest on competence, ethics, and accountability. In a time of tech disruption and cyber threats, municipalities should innovate while safeguarding sovereignty and trust. Strong leadership, fiscal discipline, and integrity are key to restoring confidence and securing a sustainable future.



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“If we design digital journeys that feel as natural as buying bread, we can rebuild trust, drive compliance, and make public finance work for everyone.”

Timothy Matlala
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Digital Banking and Shifting Consumer Behaviour: Opportunities for Public Finance Institutions

Timothy Matlala
Standard Bank

Highlights from the paper

- **Shift to Digital:** South Africa's population trends are moving from cash to digital payments, though adoption is uneven due to access and trust gaps.
- **Digital Readiness:** Online food and grocery purchases jumped from 71% to 95% (2023–2025), signalling strong readiness for digital services.
- **Citizen-Centric Integration:** Timothy Matlala advocates for digital ecosystems to transform municipal revenue collection, drawing lessons from Nairobi's Revenue System.
- **Role of Banks:** Banks can bridge trust through secure, co-branded portals, mobile channels, and e-invoicing tools, supported by clear policies and phased rollouts.
- **Key innovations:**
 - **Citizen-Centric Design:** Platforms must be intuitive and reliable.
 - **Expanded Digital Services:** Municipal services like parking, grave sites, and licensing should be digitized to improve access, efficiency, and public engagement through better websites and social media.
 - **Bundled Billing:** Combining utilities and subscriptions simplifies payments.
 - **Community Empowerment:** Engaging townships, businesses, and informal traders as collection partners improves access and stimulates local economies.
 - **Role of Banks:** Secure apps, QR codes, and SMS links can drive adoption, automate reconciliation, and build confidence.

Conclusion

Timothy Matlala challenged key stakeholders to digitally transform public finance by aligning systems with citizen behaviour, using technology to boost revenue collection, and modernizing municipal services to match private-sector standards. He emphasized that digitization is not just a technology upgrade—it's a trust and service revolution. Building inclusive, citizen-centric ecosystems can enhance service delivery, strengthen revenue integrity, and restore public confidence.



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“The review of the 1998 White Paper Local Government has been long awaited as assumptions made in 1998 and the current realities in local government differs vastly.”

Lance Joel
SALGA



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The White Paper on Local Government: Implications for Public Finance, Governance, and Service Delivery Transformation

Lance Joel
SALGA

Highlight of the paper

The 1998 White Paper established developmental local government in South Africa, introducing cooperative governance, community participation, and a three-tier municipal system. It remains the cornerstone of legislation and policy. While the framework is well-founded, targeted reforms are needed to build on successes and improve functionality.

Key reform outcomes proposed by SALGA include:

- Fit-for-purpose municipal structures
- Effective political governance & professional administration
- Clean, efficient financial management
- Strong intergovernmental cooperation
- Enhanced community engagement & service delivery

Proposed interventions :

- **Municipal Tiers:** Retain districts in rural areas; strengthen metros; create standalone urban municipalities.
- **Political Systems:** Separate legislative/executive roles; reform committees; improve coalition governance.
- **Service Delivery:** Retain authority over electricity & water; use SLAs where capacity is lacking.
- **Administration:** Professionalize roles; enforce performance management; insulate from political interference.
- **Fiscal & Finance:** Ensure self-sustainability; enforce funded budgets; clean audits; strengthen controls.
- **Debt Solutions:** Address R156B owed & R427B creditors via credit control, write-off bill, SARS link, arrears restrictions, district collection agencies.

Conclusion

To ensure sustainable progress in local government over the next 25 years, it is essential to build on existing frameworks and past successes, avoiding disruptive overhauls. Instead, targeted reforms should be implemented to enhance functionality and responsiveness. This approach must be guided by a clear, long-term vision that aligns with evolving community needs and governance priorities.



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“Digital transformation is no longer a luxury but a necessity for modern public finance. By embracing tools from cloud ERP to AI and blockchain, we can replace inefficiency and opacity with agility, accountability, and real-time insight—fundamentally rebuilding trust between citizens and the state.”

Nozipho Nkomo
CCG Systems



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The role of digital transformation in strengthening public finance.

Nozipho Nkomo
CCG Systems

Highlights from the Paper

- Digital tools such as cloud-based ERP systems, e-procurement platforms, and e-performance management systems are transforming public finance by streamlining internal processes and improving citizen convenience. For example, mobile-enabled municipal bill payments eliminate the need for physical queues at municipal offices.
- Data analytics and artificial intelligence (AI) are critical enablers for smarter budgeting, forecasting, and financial planning, simplifying workflows and enhancing decision-making.
- The core pillars of digital transformation include automation of financial processes, data-driven decision-making, and robust cybersecurity measures, all essential for creating a modern, transparent, and accountable financial ecosystem.
- **Action Items**
 - Launch digital finance initiatives to modernize municipal and public sector financial systems.
 - Leverage AI for predictive analytics to improve budgeting accuracy and revenue forecasting.
 - Explore blockchain technology for secure, transparent, and tamper-proof financial transactions.
 - Develop open data platforms to promote citizen accountability and public trust.
 - Integrate digital identity systems to streamline service delivery and enhance user experience.
 - Request a board member to conduct the handover upfront to ensure smooth transition and leadership visibility.

Conclusion

Nozipho Nkomo's presentation emphasized that digital transformation is not merely a technology upgrade but a strategic shift toward efficiency, transparency, and citizen-centric service delivery. By adopting tools such as cloud ERP, e-procurement, and AI-powered analytics, public finance systems can automate workflows, improve convenience for citizens, and enable smarter budgeting. The success of this transformation depends on strong leadership, capacity building, and robust cybersecurity, laying the foundation for a modern, accountable financial system.



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“Faced with rising complexity and citizen expectations, municipalities must embrace innovation. By shifting from outdated systems to smart, citizen-centric governance, and placing customer experience at the heart of service delivery.”

Gciniwe Fakudze
Mbabane Municipality



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Innovative Municipal Finance and Governance: Lessons from Mbabane Municipality.

Gciniwe Fakudze
Mbabane Municipality

Highlights from the paper

Municipalities face evolving challenges:

- Fiscal strain from declining transfers and rising costs.
- Urban complexity driven by rapid urbanization and climate change.
- Outdated systems and bureaucratic inefficiencies.
- Rising citizen expectations for faster, transparent, and personalized services.

Need for Innovation:

- To improve service delivery, adapt to change, build public trust, and support development.
- Modern citizens are informed, connected, and experience-driven.
- They expect convenience, speed, personalization, and ethical governance—acting as active participants rather than passive recipients.

Mbabane's Approach to Innovative Municipal Governance:

- Governance Reforms: Cultural and structural changes, customer experience focus, and technology-driven solutions.
- E-Government Model: Integrated services for citizens, employees, businesses, and government entities.
- Customer Centricity: A shift from reactive service to proactive, holistic customer experience.

Importance of Customer Centricity: Most municipalities include customer centricity in their mission. Customer experience (CX) goes beyond customer service—it is proactive and holistic, while customer service remains reactive and transactional.

Conclusion

Innovation enables municipalities to not only meet today's challenges but also proactively shape a future of inclusive growth, trust-based governance, and sustainable service delivery. The shift from traditional administration to smart, citizen-centric governance is key to building resilient and future-ready municipalities.



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“There is nothing you can do without revenue; without it, you drive yourself into a corner. Revenue is the lifeblood that enables any organization, whether a business, non-profit, or government entity, to fulfill its mandate and serve its purpose.”

Thabiso Ndebele
Ntiyiso Consulting



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Building a Culture of Revenue: Aligning People, Processes, and Technology for Financial Sustainability

Thabiso Ndebele
Ntiyiso Consulting

Highlights from the paper

Thabiso Ndebele emphasized that revenue is the lifeblood of any organization. He warned: *“There is nothing you can do without revenue; you’re driving yourself into a corner”*, sharing the following key insights:

- **Culture and Reality:** Public sector culture often reflects power structures and stories communities believe. Changing it requires clear, enforceable actions, not talk.
- **Dimensions of Culture:** Timely query resolution and proactive engagement are essential.
- **Revenue Strategies:**
 - Define a clear vision and strategy.
 - Deliver exceptional service and resolve issues promptly.
 - Ensure accurate, timely billing.
 - Identify revenue trends, leakages, and inefficiencies.
- **Technology as Catalyst:** Dashboards improve visibility, trend analysis, and efficiency.
- **Case Study – RTMC:** Technology and process redesign cut license renewal time to 12 minutes, introduced uniformed teams, improved routines, and strengthened controls.

Conclusion

Building a revenue culture is a fundamental shift, not a project. It requires:

- Shared responsibility for financial sustainability.
- Alignment of people, optimization of processes, and leveraging technology.
- Enforceable actions to change culture, supported by service excellence and strong controls.

Revenue enables purpose. Without it, organizations fail. Embracing technology and a revenue-focused culture ensures sustainability and better service delivery.



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“You cannot drink clean audits, clean audits are merely showcasing that you are doing the basics right and report accurately on time. It is up to all Public Servants to change the trajectory of how the community views the Public Sector.”

Vonani Chauke

Auditor General of South Africa (AGSA)



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Embedding Ethical Excellence Across All Spheres of Government- Leadership Imperative to Clean Governance

Vonani Chauke
Auditor General of South
Africa (AGSA)

Highlights from the paper

Vonani Chauke emphasised the importance of ethics, culture and the adherence to the National Framework of Ethics for complete guidance.

- Mr Chauke reiterated what has been mentioned in previous presentations regarding Ethics and Culture and advised all delegates to adhere to the National Framework of Ethics for complete guidance. Municipalities need to account for all their spend, there needs to be institutional integrity, good internal controls and accountability and consequences for all adverse actions.
- Mr Chauke highlighted the need for an Accountability Ecosystem and implored all municipalities to provide input to the accountability ecosystem and thereafter ensuring enforcement.
- He further emphasised the need for using AI but also guarded against the overreliance of AI as this can detrimental to some internal controls and process as information can be accessed from anywhere in the world, that is a huge security risk. When using AI, municipalities need to ensure that the information is ethical and there is no biasness towards the end user or result. Cybersecurity is key concern and has greater exposure now for all people with data being stored off site.
- Top structures in organizations need to be ethical in all their dealings and should be guided by King (iv). Top structures and leadership lack courage and accountability to the right thing and report wrongdoings and this is a culture that needs to change soonest.

Conclusion

Municipalities need to go back to basics and go for good performance and effective control measures that will enhance ethics and culture. Municipalities need to be less reliant on consultants, have stronger internal controls and be able to verify and check information supplied by contractors to ensure proper efficiencies and ethical behaviour. Controls need to be put into place to professionalize the sector and employ the right people with the right skills for the job .

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Day 2 Summaries



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“Strong financial management is the backbone of sound governance.”

Zipho Mdluli
Bonakude Consulting



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Impact of UIFWE in the Functioning of Municipalities in South Africa

Zipho Mdluli
Bonakude Consulting

Highlights from the paper

- **Systemic Problem:** Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) has escalated over the past 5 years, becoming entrenched across municipalities and costing billions annually.
- **Provincial Hotspots:** KwaZulu-Natal, Gauteng, and Eastern Cape are the largest contributors, with metropolitan municipalities showing the worst governance failures.
- **Audit Outcomes:** In 2023/24, only 44 of 273 municipalities achieved clean audits, reflecting widespread non-compliance and weak financial controls.
- **Financial Instability:** Municipalities face severe liquidity challenges, billions owed to Eskom, and over R1.5 billion spent on consultants for financial reporting.
- **Sustainability Crisis:** Only 5% of municipalities are financially sustainable, leading to credit downgrades and growing fiscal risk.
- **Human and Service Delivery Impact:** Intimidation and violence against auditors and whistleblowers, coupled with collapsing infrastructure, water, electricity, and sanitation services.
- **Public Trust Erosion:** Communities disengage, refuse to pay municipal bills, and confidence in local governance continues to decline.
- **Best Practices Observed:** Strong internal controls, zero tolerance for non-compliance, clear in-year reduction targets, independent internal audits, SCM training, and e-procurement platforms.

Conclusion

UIFWE is not just an accounting anomaly—it is a national governance crisis. Addressing it requires committed leadership, strengthened institutional capacity, and robust protection for governance professionals to restore accountability and service delivery. Targeted, sustained interventions are essential to rebuild integrity, enhance governance outcomes, and ensure that public funds are managed efficiently and responsibly.



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“You have to be the one that shows the greatness of the team, you have to be the one that shows the vision for the team, you have to be the one that shows light in darkness.”

Roland Svensson
Swedish Government Finance Officers Association



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Highlights from the paper

- **Leadership in Crisis Requires Vision and Inspiration**
 - Leaders must be the beacon of hope and clarity during uncertain times.
- **Lateral Thinking Over Logical Thinking**
 - Lateral thinking helps leaders anticipate unexpected challenges.
 - It enables leaders to identify and nurture unique strengths in team members.
- **Core Practices for Crisis Leadership**
 - **Plan Ahead:** Stay proactive and anticipate potential disruptions.
 - **Lead Through Culture:** Build and reinforce a resilient, values-driven team culture.
 - **Embrace and Adapt:** Be flexible and open to change.
 - **Practice Empathy:** Understand and support team members emotionally in real time.
- **Traits of a Great Leader**
 - **Clear Communicator:** Ensure transparency and clarity in messaging.
 - **Security Creator:** Provide psychological safety and stability.
 - **Future Creator:** Inspire hope and a compelling vision for what lies ahead.

Conclusion

In times of crisis, effective leadership is not just about making decisions—it's about inspiring confidence, fostering resilience, and guiding teams with clarity and compassion. Great leaders must think laterally to anticipate challenges and uncover hidden strengths within their teams. By planning ahead, cultivating a strong culture, adapting to change, and practicing empathy, leaders create a foundation of trust and stability. Moreover, by communicating clearly, offering security, and instilling hope, they become the light in the darkness—empowering their teams to navigate uncertainty with purpose and unity.

Leading in Times of Crisis: Resilience and Responsibility

Roland Svensson
Swedish Government Finance
Officers Association



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“Disaster management is everybody's business. We must fund resilience not disasters.”

Mzwandile Hadebe
KZN, COGTA



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CIGFARO ANNUAL CONFERENCE 2025

Disaster management in a world affected by climate change

Speaker:

Mzwandile Hadebe, KZN COGTA

Panel:

Dr Sandile Mnguni

eThekweni Municipality

Nomalungelo Mkhize

Auditor General South Africa
(AGSA)

Johann Mettler

City of Tshwane

Prof Zamokuhle Mbandlwa

Durban University of Technology

Highlights from the paper

- **Climate Change Intensifies Risk:** Disasters are increasing in frequency, scale, and complexity, with compound effects — floods, landslides, droughts — particularly impacting urban and informal settlements.
- **Case Example – KZN Floods (2019–2025):**
 - Major events each year; 2022 floods dropped 300mm rain, twice the average.
 - Impact: 59 deaths, 6 missing, 80 000 displaced; severe damage to homes, schools, and roads.
- **Policy and Institutional Response:**
 - Disaster planning integrated into IDPs, SDFs, and municipal budgets.
 - Shift from response to prevention — focus on early warnings, GIS mapping, and risk reduction.
 - Strengthen local capacity, cross-departmental coordination, and public–private partnerships.
- **Challenges:**
 - Slow procurement and funding rollovers delay recovery.
 - Insufficient political will and budget allocation for disaster management.

Conclusion

Mr. Hadebe called for a move from reactive to proactive resilience-building. Investing in planning, capacity and early warning saves lives and livelihoods. The message is clear: disaster are inevitable – unpreparedness is not.

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Panel Discussion

Disaster management in a world
affected by climate change

Facilitated by:
Masa Kekana



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Prof Zamokuhle Mbandlwa

Durban University of Technology

Highlights from the panel discussion

- **Municipal Preparedness and Operational Readiness:** underscored the importance of local contingency planning, school-based awareness, and community partnerships to translate provincial policy into daily practice. Emphasised integration of climate adaptation into infrastructure and budgeting processes.
- **Accountability and Oversight:** highlighted findings from the 2022 flood audit, revealing delayed coordination, duplicate contracts, and inflated emergency rates. Urged better inter-sphere communication, unified beneficiary databases, and transparent financial management during emergencies.
- **Breaking Silos and Funding Bottlenecks :** warned that rigid departmental silos and slow funding transfers undermine disaster response. Stressed that all municipal departments — finance, infrastructure, and planning — must anticipate and respond collectively. Called for streamlined intergovernmental systems and flexible disaster funding.
- **Link to Policy and Practice:** reinforced that disaster management must remain integrated within municipal development plans (IDPs, SDFs) and that preparedness saves more than response.

Conclusion

The panel reached clear consensus: coordination is the foundation of resilience. A responsive, well-aligned disaster management system depends on stronger intergovernmental collaboration, faster and more predictable funding flows, and greater community awareness and institutional capacity. South Africa's challenge is no longer recognising climate threats—it is governing them collectively and effectively.

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“mSCOA is a business reform and not only a financial reform.”

Thina Naki
National Treasury



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CIGFARO ANNUAL CONFERENCE 2025

Driving Transformation: Exploring mSCOA through the lens of business reform.

Speaker:

Thina Naki
National Treasury

Panel:

Chloe Gradwell
National Treasury
Mike Steyn
National Treasury
Zinzi Mphahlele
Polokwane Municipality
Mxolisi Kunene
uMhlatuze Municipality
Cheryl Reddy
King Cetshwayo District Municipality

Highlights from the paper

- mSCOA regulations were promulgated in 2014 to standardise financial practices across local government.
- MFMA Circular 80, issued in 2016, outlines the minimum business processes and system specifications.
- Circular 80 is currently under review to reflect legislative updates and will be reissued as formal regulations.
- The mSCOA initiative aims to standardise financial classification frameworks and promote consistency, transparency, and consolidation in budgeting and reporting.
- Municipalities are expected to comply with Circular 80 and address implementation gaps via mSCOA Roadmaps and Steering Committees.
- Regulations prescribe a uniform chart of accounts for budgeting, transacting, and reporting.
- System specifications aim to enforce compliance; Improve data quality, financial transparency, and accountability whilst modernising municipal processes and ICT environments.
- Council oversight is strengthened through improved access to policy, tariff, and service delivery data.
- All expenditure must align with the Integrated Development Plan (IDP), supporting project-based budgeting and performance tracking.
- Municipalities must participate in the consultation process for revised regulations and submit comments by 10 October 2025.
- Governance structures such as Audit Committees, MPAC, and Risk Committees must remain functional and aligned with municipal needs.
- Municipalities require a long-term strategic plan (15–30 years) to guide IDPs, investment, and spatial development.
- IDPs must be linked to mSCOA segments to enable transparent budgeting and performance monitoring.

Conclusion

The leadership of the municipality must drive the implementation of the reform and implement effective change management to prepare staff for the changes and counter possible resistance to change.

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Panel Discussion

**Driving Transformation: Exploring
mSCOA through the lens of business
reform.**

Facilitated by:
Bongani Mdletshe



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Driving Transformation: Exploring mSCOA through the lens of business reform.

Speaker:

Thina Naki

National Treasury

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National Treasury

Mike Steyn

National Treasury

Zinzi Mphahlele

Polokwane Municipality

Mxolisi Kunene

uMhlatuze Municipality

Cheryl Reddy

King Cetshwayo District Municipality

Highlights from the panel discussion

Political Buy-In and System Ownership:

- Continuous engagement with political office bearers is vital for mSCOA success due to short political terms.
- Avoid system changes until new regulations are published to prevent financial losses.
- mSCOA is the municipality's responsibility, not NT's; all processes must align with service delivery.
- ICT should manage ERP systems; finance cannot handle technical complexity.
- Municipalities must govern and manage their systems while using developers for technical solutions, keeping their focus on service delivery.

National Treasury's Oversight and Automation Initiatives:

- NT plans to automate council reporting and integrate data from multiple systems into one report to reduce errors.
- Frameworks will define reporting timelines, meeting schedules, notifications, and pack preparation.
- Committees will receive tools to improve oversight and streamline implementation of their functions.

Employee Perspective on mSCOA:

- mSCOA is a holistic business reform, requiring changes in processes, language, and culture—not just finance.
- Success demands a mindset shift, transparency in budgeting, and real-time accountability.
- Benefits include reduced reporting fatigue and improved traceability from ledger to ground.
- Champions must drive timelines, ensure correct configurations, reject passive compliance, and embrace reforms.

Historical Data Migration and Compliance

- Migration prioritized business process reform over IT, with vendor readiness as a key challenge. Departments migrated data under strict timelines with audit oversight; SLAs and sub-system integration ensured compliance.
- Governance applied the Financial Management Capability Maturity Model (FMCMM), active committees, risk reporting, and IT steering.

Conclusion

mSCOA is a business-wide reform requiring political support, municipal ownership, cultural change, and strong governance. Success depends on automation, accountability, and disciplined implementation beyond compliance.



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“Revenue management is a need and key for financial sustainability of the municipality.”

Manana Dibetso
Munsoft



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CIGFARO ANNUAL CONFERENCE 2025

Revenue Management Excellence achieves results – Strategies to ensure collection rates are in the 90% range

Speaker:

Manana Dibetso
Munsoft

Dr Lungelwa Kaywood
Stellenbosch University

Panel :

Vanessa Musoke
Standard Bank

Alice Stander
Nkangala District Municipality
Nathini Majola
Munsoft

Highlights from the paper

Key Themes

- Municipalities face inaccurate billing data, weak credit control, and low customer engagement.
- High indigent populations and affordability challenges affect payment culture.
- Achieving 90%+ collections requires a multifaceted approach — combining governance, technology, and citizen trust.

Core Strategies

- Strengthen Credit Control – Enforce updated policies, target top debtors, and drive accountability.
- Improve Billing Accuracy – Cleanse data, install meters, update indigent registers, enhance transparency.
- Reform Tariffs and Policies – Align tariffs to true service costs, promote equity and compliance.
- Leverage Technology and Automation – Use billing systems, online payments, and automated reminders to improve efficiency.

Conclusion

Achieving sustainable collection rates above 90% is attainable through data integrity, digital enablement, and strong governance ensuring financial sustainability and improved service delivery.



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“Without money, the municipalities cannot deliver on their mandates for service delivery.”

Dr Lungi Kaywood
University of Stellenbosch



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Nkangala District Municipality

Nathini Majola

Munsoft

Highlights from the paper

Context and Imperative

- Municipalities face escalating consumer debt (R181bn → R331bn by 2024) undermining financial viability.
- Sustained service delivery depends on revenue recovery and credit discipline.
- A 90%+ collection rate is not administrative - it's a strategic leadership imperative for fiscal sustainability.

Key Challenges

- Inaccurate / outdated billing and customer data.
- Political resistance to credit control actions.
- Weak institutional capacity and rural collection constraints.
- Loss of community trust, unrealistic budgets, and limited recourse in Eskom areas.

Proven Strategies

- Foundational Excellence - Simplify payments, strengthen policies, ensure data accuracy.
- Customer-Centric Approach - Educate, engage, and empower communities; treat customers as partners.
- Technology and Analytics - Use AI and data insights (e.g. Laqhahsa Playbook) to predict, monitor, and manage arrears.
- Collaborative Governance - Explore shared/centralised collection agencies; align across spheres of government.

Conclusion

Fiscal sustainability demands back-to-basics discipline, digital transformation, and courageous leadership — building a virtuous cycle where revenue excellence drives service delivery excellence.

CIGFARO ANNUAL CONFERENCE 2025

Panel Discussion

Revenue Management Excellence achieves results – Strategies to ensure collection rates are in the 90% range

Facilitated by:
Sandile Ngema



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CIGFARO ANNUAL CONFERENCE 2025

Revenue Management Excellence achieves results – Strategies to ensure collection rates are in the 90% range

Speaker:

Manana Dibetso
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Dr Lungelwa Kaywood
Stellenbosch University

Panel :

Vanessa Musoke

Standard Bank

Alice Stander

Nkangala District Municipality

Nathini Majola

Munsoft

Highlights from the panel discussion

Challenges

- Poor billing data and weak credit controls
- Limited customer engagement and trust
- Process breakdowns and capacity issues in smaller municipalities
- Legal and political barriers to enforcing credit control
- Refusal vs. inability to pay
- Unrealistic budgets and growing government department debts

Strategies

- Strengthen credit controls and ensure accurate billing
- Reform tariffs and policies; apply them consistently
- Use technology and automation to streamline processes
- Build a skilled workforce and adopt a customer-centric approach
- Improve customer care, communication, and indigent support

Conclusion

Municipalities must adopt proven debt collection strategies from top performers, enforce effective credit controls, and set realistic collection goals. Community education, policy reform, and multi-channel communication are key to improving payment compliance. A holistic approach combining technology, transparency, and dispute resolution will enhance sustainability and rebuild public trust in service delivery.



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“External verification processes and maintaining a complete and accurate asset register is an effective internal control process”

Gratitude Ramphaka
ERWAT



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CIGFARO ANNUAL CONFERENCE 2025

Effective internal controls as a tool to improve audit outcomes

Speaker:

Gratitude Ramphaka
ERWAT

Panel:

Jay Ramharak

Chief Justice

Sikhuthali Nyangitsimbi

University of KwaZulu-Natal

Samson Horonga

Bonakude Consulting

Dineo Kumalo

Provincial Treasury

Highlights from the paper

- A compelling case was presented on how strategic financial and governance reforms can lead to revenue management excellence and significantly improve collection rates. For the 2023/2024 financial year, ERWAT achieved a clean audit, marking a major milestone after 15 years of unqualified audit opinions. The entity was also recognized at the SALGA-Gauteng Municipal Audit Awards and received seven Green Drop Awards, underscoring its commitment to environmental compliance and operational excellence.
- Key actions that contributed to this success included quarterly reviews of Annual Financial Statements, the use of external service providers, and weekly audit steering committee meetings. In asset management, ERWAT implemented external verification processes and maintained a complete and accurate asset register. Supply Chain Management (SCM) reforms aligned internal policies with MFMA regulations, introduced formal price quotation processes, and incorporated probity reviews to ensure transparency and fairness.
- Operational challenges, such as infrastructure delays and equipment failures, were addressed through improved planning, maintenance strategies, and enhanced oversight mechanisms. The establishment of a dedicated plan, monitoring, and evaluation department further strengthened performance management.
- Governance strengths highlighted in the presentation included accurate financial reporting, sound policies, effective internal audit structures, and a knowledgeable SCM team. The presentation also emphasized the importance of probity as a tool for enhancing internal controls and posed critical governance questions around leadership tone, consequence management, and the effectiveness of collective responsibility.

Conclusion

It was illustrated that with committed leadership, robust internal controls, and a culture of accountability, municipalities can overcome long-standing challenges and achieve financial sustainability. These reforms not only improve audit outcomes but also unlock broader economic benefits, as demonstrated by ERWAT's infrastructure initiative, which is expected to create thousands of jobs and significantly boost household income and government revenue.

CIGFARO ANNUAL CONFERENCE 2025

Panel Discussion

Effective internal controls as a tool to improve audit outcomes

Facilitated by:
Semanga Ruiters



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CIGFARO ANNUAL CONFERENCE 2025

Effective internal controls as a tool to improve audit outcomes

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University of KwaZulu-Natal

Samson Horonga
Bonakude Consulting

Dineo Kumalo
Provincial Treasury

Highlights from the panel discussion

The discussion showcased how strong governance and proactive measures can lead to sustainable audit success.

- KwaZulu-Natal's achievement of 17 clean audits was highlighted as an example of what is possible when internal controls are implemented.
- The use of diagnostic tools to assess departmental performance and ensure alignment with governance frameworks was emphasized as a best practice.
- Establishing and enforcing risk management policies and procedures was seen as a cornerstone for accountability and resilience.

Maintaining the integrity of financial reporting emerged as a critical theme.

- Panellists stressed the importance of Annual Financial Statements (AFS) as the foundation for clean audits.
- Strengthening the internal audit function within municipalities was identified as essential for early detection of risks.
- Continuous monitoring of audit-related processes before and after audit cycles was recommended to prevent gaps and improve compliance.

The conversation also addressed systemic challenges and safeguards.

- Concerns were raised about Tier Two audit findings, particularly regarding their timing and triggers.
- The role of Executive Committees (Exco) was highlighted as vital for enforcing internal controls and ensuring alignment with audit processes.
- Exco involvement was positioned as the final safeguard to uphold governance standards and protect audit integrity.

Conclusion:

Clean audits and accountability depend on proactive governance, rigorous internal controls, and collaborative oversight at all levels.



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“Combined assurance is not about compliance. It's about trust.”

Arlene-Lynn Volmink
Institute of Internal Auditors



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CIGFARO ANNUAL CONFERENCE 2025

Embedding a Culture of Combined Assurance Excellence

Speaker:

Arlene-Lynn Volmink Institute of
Internal Auditors

Panel :

Miriam Sunda
CIGFARO

Keith Salimane

Bonakude Consulting

Sakhiwo Nelani

Alfred Nzo District Municipality

Alistair Chibi

SALGA

Highlights from the paper:

- **Definition and Purpose:** Combined assurance aligns all assurance efforts—internal audit, risk, compliance, and oversight—to eliminate duplication, close risk gaps, and enhance decision-making.
- **Leadership and Culture:** Assurance begins with ethical, accountable leadership that cascades through all levels of the organisation.
- **Governance and Roles:** Clear oversight mechanisms and defined roles across the three lines of defense ensure coherence and accountability.
- **Risk-Based Approach:** Assurance should focus where risks and impacts are greatest, supported by an integrated ERM framework.
- **Collaboration:** Breaking silos among audit, risk, and performance teams strengthens institutional resilience.
- **Technology:** Digital tools enable real-time insight, standardisation, and transparency across assurance functions.
- **Public Sector Value:** Combined assurance drives improved service delivery, ethical decision-making, and public trust.

Conclusion

Combined assurance is a cultural transformation, not a compliance exercise. It unites leadership, governance, and collaboration to build stronger, transparent, and performance-driven public institutions.



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Panel Discussion

Embedding a Culture of Combined
Assurance Excellence

Facilitated by:
Yena Khuboni



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CIGFARO ANNUAL CONFERENCE 2025

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Institute of Internal Auditors

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Keith Salimane
Bonakude Consulting

Sakhiwo Nelani
Alfred Nzo District Municipality

Alistair Chibi
SALGA

Highlights from the panel discussion

The discussion focused on how public-sector capacity constraints and fiscal pressures require more integrated approaches to oversight and decision-making. Combined assurance was identified as a feasible model to strengthen governance and improve service delivery within constrained environments.

- **Legislative and Framework Support:** References were made to **ISO 9001**, the **COSO Internal Control and ERM Frameworks**, and the **King IV Report**, all of which reinforce collaborative assurance, accountability, and transparency principles consistent with the **Combined Assurance Model (CAM)**.
- **Model Structure:**
 - **First Line of Defence:** Management oversight and operational accountability.
 - **Second Line of Defence:** Risk management, HR, procurement, and compliance functions.
 - **Third Line of Defence:** Independent assurance from internal audit, external audit, and regulators.
- **Benefits Discussed:** Greater efficiency, reduced duplication of effort, better resource allocation, and an enhanced culture of accountability and value-added service delivery.
- **Technology and Service Delivery:** The panel highlighted tools such as integrated data systems, automated risk monitoring, collaborative platforms, and data analytics as practical enablers of effective assurance and evidence-based decision-making.
- **Implementation Steps:** Confirm risks and controls → Identify and map assurance providers → Develop a combined assurance plan → Aggregate and report results → Monitor and improve performance.
- **Challenges:** Cultural resistance, system integration difficulties, data quality and availability issues, skills gaps, stakeholder engagement constraints, and limited resources.
- **Interventions Under Way:** Development of an Integrated Combined Assurance Framework, clear role definition for implementation leaders, procurement of an integrated system aligned with GIAS standards, and establishment of Combined Assurance Forums reporting to Audit Committees.

Conclusion

Panelists reaffirmed that combined assurance is central to improving governance, risk management, and service delivery in the public sector. Through structured collaboration and appropriate technology use, institutions can strengthen accountability and achieve better outcomes for communities they serve.



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“AI can analyse the past but only humans can act in the present and forecast the future.”

Pieter Smit
CCG Systems



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CIGFARO ANNUAL CONFERENCE 2025

How to apply Artificial Intelligence in finance

Speaker:

Pieter Smit
CCG Systems

Sandile Mahlaba
Microsoft in South Africa

Panel:

Kuda Mapfuiwe
CCG Systems

Katlego Masemola
Orion Cyber

Highlights from the paper

Context and Imperative

AI is transforming finance, but responsible use is essential to avoid bias, errors, and loss of trust. Municipalities can do more with less through AI - only if data is clean, transparent, and well-governed.

Key Challenges

- Data Bias and Poor Quality - flawed data leads to flawed decisions.
- Over-Automation and Black Box Risks - lack of transparency and accountability.
- Hidden Costs and Unintended Consequences - AI can unintentionally affect indigence or equity.

Core Principles for Responsible AI

- Governance First - document assumptions, set guardrails, and ensure auditability.
- Human Oversight - AI should support, not replace, professional judgment.
- Transparency and Communication - ensure users and citizens understand AI decisions.
- Continuous Monitoring -recalibrate, audit, and evaluate models regularly.

Conclusion

Responsible AI is about balance - data integrity, human judgment, and ethical governance working together to ensure financial accountability and public trust.



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“AI won’t replace people, it’s people who use AI who will replace people who don’t.”

Sandile Mahlaba
Microsoft in South Africa



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How to apply Artificial Intelligence in finance

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Pieter Smit
CCG Systems

Sandile Mahlaba
Microsoft in South Africa

Panel:

Kuda Mapfuiwe
CCG Systems

Katlego Masemola
Orion Cyber

Highlights from the paper

Context and Imperative

- AI is already embedded in daily life and work - from WhatsApp to Copilot.
- We are now in the Fourth Industrial Revolution, where AI drives productivity, automation, and decision-making.
- South Africa must embrace AI adoption to stay competitive and digitally ready.

Key Themes

- Digital Transformation: AI enhances efficiency through automation, summarization, and insight generation.
- Security and Ethics: Responsible use of AI requires strong data governance, privacy protection, and ethical oversight.
- Empowerment through Knowledge: Upskilling and AI literacy are critical to harnessing AI's full potential.

Strategic Enablers

- Adopt AI Tools - Use AI assistants, data analytics, and automation to improve efficiency.
- Build Governance - Form AI and Audit Committees to ensure ethical and compliant AI use.
- Train and Transform - Invest in continuous AI education and digital readiness across teams.
- Secure Data - Prioritize cybersecurity and data protection to safeguard trust and compliance.

Conclusion

Adapting to AI isn't optional - it's essential. Those who embrace responsible AI and digital transformation will define the future of work and governance.

CIGFARO ANNUAL CONFERENCE | 2025

Panel Discussion

How to apply Artificial Intelligence in finance

Facilitated by:
Asma Sheik



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CIGFARO ANNUAL CONFERENCE 2025

How to apply Artificial Intelligence in finance

Speaker:

Pieter Smit

CCG Systems

Sandile Mahlaba

Microsoft in South Africa

Panel:

Kuda Mapfuisse

CCG Systems

Katlego Masemola

Orion Cyber

Highlights from the panel discussion

The panel emphasized the critical role of governance, ethics, and human oversight in the implementation of Artificial Intelligence (AI). Using ChatGPT's rapid global adoption as an example, speakers illustrated how AI is reshaping industries and accelerating learning.

They underscored the importance of understanding AI's life cycle and leveraging it to streamline processes and enhance productivity:

- **AI Governance and Adoption:** Emphasis was placed on governance as the foundation of AI implementation, using ChatGPT's rapid growth to illustrate AI's influence. Its use in IT support has empowered junior staff and accelerated learning.
- **Efficiency in Finance through AI:** AI can streamline financial operations by automating customer statements, enhancing ERP systems with chatbots, and improving customer experience. It helps reduce manual tasks and improve process efficiency.
- **AI in Municipal Finance:** Four practical applications were highlighted: chatbots for service queries, OCR for invoice capture, predictive analytics for revenue forecasting, and fraud detection, all aimed at improving financial management.
- **Governance and Security in AI:** The need for strong governance and cybersecurity in AI adoption was stressed and everyday AI use acknowledged, but risks like data breaches and unauthorized access require proactive safeguards.
- **AI in Auditing and Finance:** Personal use of tools like Copilot showed how AI simplifies repetitive tasks. A structured approach and proper model training are essential for accuracy and reliability in finance and auditing.

Conclusion

The panel agreed that AI can boost productivity and reduce errors, but only with ethical use, human oversight, and a clear understanding of its lifecycle to ensure sustainable value.



CIGFARO ANNUAL CONFERENCE | 2025

**“Cost-reflective tariffs are not a luxury —
they are essential for the sustainability of
service delivery.”**

Dirk Spangenberg
National Treasury



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CIGFARO ANNUAL CONFERENCE 2025

Effective application and implementation of Cost-reflective tariff tool

Speaker:

Dirk Spangenberg
National Treasury

Panel members:

Sikelelwa Foslara

Bonakude Consulting

Heinrich Salome

National Treasury

Avon Pinetown

National Treasury

Highlights from the paper

- Only 20–40% of residents pay for municipal services; 100% collection rates could reduce tariffs by up to 75%.
- Tariffs are the financial lifeblood of service delivery, ensuring transparency, equity, and long-term resilience.
- The National Treasury Tariff Tool provides a standardised, evidence-based method for setting fair tariffs and achieving funded budgets.
- 43 municipalities using the tool gained a combined R418 million in additional revenue through improved tariff accuracy and governance.
- Implementation requires reliable data, accurate costing under mSCOA, stakeholder engagement, and political courage to approve increases.
- Key challenges: affordability pressures, weak cost-of-supply studies, limited capacity, and political reluctance before elections.
- Practical solutions: phased tariff adjustments, transparent communication, and targeted subsidies for vulnerable households.

Conclusion

Cost-reflective tariffs are not a luxury—they are a fundamental requirement for the sustainability of service delivery. The tariff tool offers a powerful mechanism to introduce science, evidence, and transparency into tariff-setting processes, helping to ground debates in facts rather than sentiment. However, its effective use demands capacity, courage, and collaboration across all stakeholders. If we succeed in applying it well, we pave the way for municipalities that are financially resilient, infrastructure that is properly maintained, and communities that benefit from reliable, affordable services.

CIGFARO ANNUAL CONFERENCE 2025

Panel Discussion

Effective application and implementation of Cost-reflective tariff tool

Facilitated by:
Maphefo Mgadi



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CIGFARO ANNUAL CONFERENCE 2025

Highlights from the panel discussion

Effective application and implementation of Cost-reflective tariff tool

Speaker:

Dirk Spangenberg
National Treasury

Panel members:

Sikelelwa Foslara
Bonakude Consulting

Heinrich Salome
National Treasury

Avon Pinetown
National Treasury

- Municipalities face ongoing difficulty in balancing financial sustainability with the need to provide affordable services, especially in communities with high poverty levels.
- Many consumers cannot afford even subsidized tariffs, making accurate customer profiling and proper indigent register management critical for equitable service delivery.
- Costing methodologies must comply with mSCOA standards and include both primary and secondary cost allocations to ensure accurate financial planning and cost-reflective tariffs.
- Developing tariffs that truly reflect service costs is essential for effective revenue management and long-term sustainability.
- Clear and consistent Standard Operating Procedures (SOPs) are necessary to maintain accuracy and reliability in budgeting and financial processes.
- Business systems should be fully aligned with operational workflows to support seamless execution and reduce inefficiencies.
- Data integrity remains a cornerstone for informed decision-making, accurate reporting, and overall financial governance.

Conclusion

The discussion underscored that achieving financial sustainability in municipalities requires a multi-dimensional approach. Key priorities include balancing affordability with service delivery, implementing robust customer profiling and indigent register management, and adopting costing methodologies aligned with mSCOA to ensure accurate, cost-reflective tariffs. Additionally, strong business foundations—such as clear SOPs, system-workflow alignment, and data integrity—are essential for reliable budgeting and informed decision-making. Collectively, these measures aim to strengthen municipal revenue management and operational efficiency while addressing socioeconomic constraints.



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“The none-implementation of internal controls and oversights, not understanding legislative requirements contributes mostly to UIFWE.”

Dikeledi Rambau
Bonakude Consulting



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Best Practices for Avoiding UIFW in the Public Sector

Speaker:

Dikeledi Rambau

Bonakude Consulting

Panel members:

Imaan Sayed Suliman

Ramotshere Moiloa Municipality

Michael Chauke

SALGA

Khensani Makaneta

National Treasury

Highlights from the paper

The paper aimed to address how municipalities and public entities can prevent and reduce Unauthorized, Irregular, Fruitless, and Wasteful (UIFW) expenditure, which negatively impacts financial performance and governance

Common challenges that leads to UIFWE is :

- Weak internal controls.
- Limited legislative understanding.
- Skills gaps.
- Delayed investigations and consequence management.
- Poor coordination between administration and oversight bodies

Strategies to Reduce UIFW :

- Implement and regularly update internal controls and registers.
- Align budgets with cash flow.
- Strengthen oversight and accountability.
- Develop and execute audit action plans.
- Improve staff skills and financial governance

We can also **resolve UIFW by enforcing robust consequence management** by developing and enforcing clear policies, training staff on execution and whistleblower protection, and promoting a culture of transparency and professionalism

Conclusion

Municipalities should proactively enhance financial governance by strengthening internal controls to prevent UIFW expenditure, implementing targeted reduction strategies, fostering collaboration with oversight bodies like MPAC, and promoting a culture of accountability and zero tolerance for financial misconduct led by top management.



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**“Always note that MFMA puts emphasis
on prevention of UIFWE.”**

Wayne McComans
National Treasury



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Best Practices for Avoiding UIFW in the Public Sector

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Ramotshere Moiloa Municipality

Michael Chauke

SALGA

Khensani Makaneta

National Treasury

Highlights from the paper

Mr. McComans highlighted the persistent issues of UIFWE in municipalities, identified root causes, and further proposed preventative and corrective measures to improve financial governance and accountability.

Root causes of UIFWE (Unauthorised, Irregular, Fruitless and Wasteful Expenditure)

- Unfunded budgets and Poor financial monitoring
- Weak revenue management and lack of accountability
- Non-compliance with procurement processes
- Project mismanagement
- Fraud and misrepresentation and Ineffective use of consultants

This leads to the following issues :

- Misleading budget info = financial misconduct
- Non-cash unauthorized expenditure not taken into consideration i.e., depreciation
- Ineffective disciplinary boards
- Use of consultants for internal staff duties

Preventative Measures :

- Invest in capacity building and skills development
- se KPIs and dashboards for performance monitoring
- Implement and review consequence management policies
- Annual testing of UIFWE controls by Internal Audit Units

Conclusion

Persistent UIFWE highlights systemic failures in financial governance. Addressing root causes and implementing robust preventative and consequence management measures is essential for improving municipal service delivery and accountability.

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Panel Discussion

**Best Practices for Avoiding UIFW in the
Public Sector**

**Facilitated by:
Sbu Zakwe**



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Best Practices for Avoiding UIFW in the Public Sector

Speaker:

Dikeledi Rambau

Bonakude Consulting

Wayne McComans

National Treasury

Panel members:

Imaan Sayed Suliman

Ramotshere Moiloa Municipality

Michael Chauke

SALGA

Khensani Makaneta

National Treasury

Highlights from the panel discussion

- Transparent prevention processes that make it difficult to incur UIFWE are not in place
- There is poor implementation of internal control to encourage a compliance environment
- Limited understanding of key legislation and transcripts
- Limited capacity and skills to implement internal controls requirements
- Delayed initiation and conclusion of investigation of unauthorised, irregular, fruitless and wasteful expenditure
- Intimidation to those responsible to ensure compliance with legislation and regulations
- Lack of communication and coordination between administrative and oversight committees
- There is no submission of reports to MPAC in some instances, this makes it difficult them to function effectively

Strategies for prevention of UIFWE:

- Strengthen collaboration between MPAC and oversight committees.
- Implement robust internal audit controls and audit action plans.
- Develop and execute strategies to prevent repeat audit findings.
- Improve financial governance and align budgets with cash flow realities.
- Build capacity through training on consequence management, compliance escalation, and whistleblower protection.
- Empower internal auditors and enforce consequence management consistently and without favour.

Conclusion

Municipalities must strengthen controls around Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFWE) by implementing strategies focused on both protection and reduction, while ensuring full compliance with MFMA requirements. Political and administrative leadership should set a clear tone of zero tolerance for UIFWE, reinforcing accountability and integrity across all levels of governance.



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“Be GRAP 104 Fit.”

Elizna van der Westhuizen
Accounting Standard Board



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Fundamental changes to GRAP Standards

Speaker:

Elizna van der Westhuizen
Accounting Standard Board

Panel members:

Kashnee Sewnarain
Inspired Financial Management
Solutions
Manenzhe Manenzhe
National Heritage of South Africa
Dumisani Dlamini
Soul City Institute

Highlights from the paper:

No changes are expected to the GRAP framework for 2024/25 and 2026/27. However, 2025/26 will introduce amendments to GRAP 22 on foreign currency transactions and advance consideration, as well as GRAP 104 (Revised) on financial instruments. The implementation timeline depends on the Minister of Finance announcing an effective date, which is likely to be in 2027.

Preparation for GRAP 104 (Revised):

- Understand the new requirements.
- Assess the impact on each municipality or entity.
- Identify sources of support for applying the revised standard.
- Plan for system changes.
- Gather data for retrospective application. Note: Not all entities will be affected.

Key Focus Areas (aligned with international standards):

- Scope – Now includes financial guarantees and certain loan commitments (previously under GRAP 19).
- Classification – Categories remain the same, but classification principles have changed significantly.
- Subsequent Measurement – Introduction of a new impairment model.

Transitional Provisions:

- Provide guidance for implementing GRAP requirements.
- Clarify how and when requirements should be applied.
- Offer directives based on entity type.

Conclusion

No GRAP changes are expected for 2024/25 and 2026/27, but amendments to GRAP 22 and GRAP 104 (Revised) in 2025/26 require early preparation. Entities should assess impacts, plan system changes, and gather data ahead of an effective date likely in 2027. Guidance and support are available on the ASB website.



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Panel Discussion

Best Practices for Avoiding UIFW in the Public Sector

Facilitated by:
Annalene Marias



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Fundamental changes to GRAP Standards

Speaker:

Elizna van der Westhuizen
Accounting Standard Board

Panel members:

Kashnee Sewnarain
Inspired Financial Management
Solutions

Manenzhe Manenzhe
National Heritage of South Africa

Dumisani Dlamini
Soul City Institute

Highlights from the panel discussion:

- **Establish a Clear Methodology:** Municipalities must adopt a structured, forward-looking approach to implement the credit loss model effectively.
- **Focus on Key Adoption Milestones:** By 1 July 2025, municipalities should have assessed all outstanding debtors to prepare for the 2026 financial year.
- **Incorporate Historical Collection Trends:** Use past collection rates to inform future expectations and model assumptions.
- **Factor in Local Economic Conditions:** Consider regional economic indicators such as:
 - Unemployment rates
 - Community unrest or strikes
 - Other socio-economic factors specific to your municipality
- **Ensure Data Quality and Integrity:**
 - Proper classification of debtors (e.g., residential, commercial, government) Accurate tracking of interest accruals and payment histories
 - Maintenance of up-to-date indigent registers
- **Automate Data Management Systems:** Implement digital tools and platforms to:
 - Streamline data collection and validation
 - Support predictive modelling of future debtor behaviour
 - Enable real-time monitoring and reporting
 - Localize the Model: Tailor assumptions and parameters to reflect the unique characteristics and challenges of your municipality or region.

Conclusion

With the adjustment process due in early 2026, municipalities must act now to update policies, align budgets, and prepare systems. Assumptions should be well-supported, and data quality maintained to ensure compliance and avoid unauthorised expenditure.

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Day 3 Summaries



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“We must shape AI to serve our people -
not allow it to shape who we are .”

Zwelakhe Tinise
State Information Technology Agency



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Highlights from the Paper

Zwelakhe Tinise presented on how AI innovation intersects with ethical governance, stressing the need for frameworks aligned with South Africa's unique socio-economic context.

- **Regulatory Urgency:** The importance of establishing governance structures before widespread AI adoption to safeguard ethics and accountability.
- **Data Privacy & Sovereignty:** A strong call for local control over digital assets to prevent exploitation and maintain national autonomy.
- **Capacity Building:** Promoted in-house AI training and partnerships with accredited providers to ensure transparency and sustainability.
- **Risks of Foreign Dependence:** Raised concerns about reliance on foreign cloud hosting and surveillance, emphasizing the need for local data management.
- **Citizen Education:** Emphasized the role of municipalities and public institutions in fostering digital trust and promoting responsible AI use from leadership downward.

Key Takeaways

- **Governance First:** Ethical frameworks and regulatory oversight must precede AI deployment.
- **Data Sovereignty:** South Africa must own, protect, and govern its digital assets locally.
- **Capacity Building:** Develop internal AI skills to ensure sustainable and transparent innovation.
- **Responsible Adoption:** Empower leaders and citizens to understand and engage with AI responsibly.

Conclusion

The session concluded that AI's benefits hinge on responsible, ethical use supported by robust governance frameworks. Dialogue, education, and skills development are key to ensuring South Africa remains competitive and inclusive in the digital era.

Smart AI to Enable Smart Governance

Zwelakhe Tinise
OS Holding



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“You can learn crime, so why can’t you learn ethics.”

Faith Nyaka
National School of Government



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Progress on the implementation of the Professionalization framework and next steps

Faith Nyaka
National School of Government

Highlights from the Paper

- Shared progress, key steps, and challenges in implementing the professionalisation framework.
- Emphasized its role in skills development, ethical financial management, and stakeholder engagement.
- Endorsed by the 7th administration, the framework was highlighted by the President during the State of the Nation Address as essential for building a capable and ethical public service and leadership.
- The Public Service Commission (PSC) tasked with creating a database of experts to support executive appointments (DGs, CEOs, municipal managers).
- Section 195 of the Constitution sets out core public administration values applicable across all spheres of government.

Framework Objectives

- The framework aims to close generational leadership gaps, establish a merit-based career system, rebuild specialist skills while addressing staffing challenges, and position public service as a career of choice.

Five Pillars of Professionalisation

1. Pre-entry: Recruitment and Selection
2. Induction and Onboarding
3. Performance Planning and Management
4. Continuing Learning and Professional Development
5. Career Progression

Conclusion

The framework strengthens public service capacity through ethical, skilled appointments and mentorship. However, weak planning, poor prioritization, ICT gaps, and leadership challenges hinder progress. Embedding the framework in the Medium-Term Development Plan is critical for sustainable implementation.



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“Who cares, wins.”

Dr Joey Krishnan
KZN COGTA



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The Finance Function in a Changing World

Dr Joey Krishnan
KZN COGTA

Highlights from the Paper

The world is facing a biodiversity and climate crisis. Finance must play a central role in addressing these challenges.

Key areas of change:

- Disaster management and climate resilience.
- Resilient infrastructure through engineering and architectural solutions.
- Behavioural and technological innovations.
- Data proliferation: Cloud-based data is abundant but underutilized.
- Global interconnectedness: The world feels smaller and more integrated.

There is a need to move towards smart cities – with finance playing a leading role.

- Smart = Technological + Knowledge-intensive. Includes ICT, innovation, and non-conventional approaches.
- City = Any urban or rural settlement.
- Key investment areas:
 - Infrastructure & technology: Smart grids, ICT systems.
 - Human capital: Digital skills and training.
 - Basic services: Water, electricity, transport.
- Finance must ensure inclusivity and strategic impact.

Conclusion

Finance must evolve to address climate change, resilience, and global crises. ESG integration is essential—moving from voluntary reporting to data-driven accountability (Spatial Finance). Smart Cities require strategic investment in tech, people, and basic services. Finance's role is foundational—enabling development, innovation, and inclusion. Forecasting is critical—accurate models and tools help navigate uncertainty. Finance officers must redefine their roles, embrace technology, and drive impact.



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“AI is not a technical innovation; it is a strategic enabler to improve service delivery and increase public trust.”

Gopal Reddy

State Information Technology Agency



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Artificial Intelligence – is there place at the level of excellence to include AI in public finance and what policies and checks and balances must be in place to protect the integrity of the organizations

Gopal Reddy
State Information
Technology Agency

Highlights from the Paper

Artificial Intelligence (AI) is transforming public finance by enabling faster, smarter, and more efficient decision-making. It acts as a powerful assistant that enhances operational efficiency, strengthens transparency, and supports strategic planning through risk identification and data-driven insights. Countries like Rwanda are leveraging AI to drive national digital transformation across sectors such as healthcare, agriculture, and public services, while South Africa is applying AI and advanced analytics to improve compliance, combat tax evasion, and streamline internal processes.

However, the adoption of AI must be accompanied by strong governance frameworks. This includes:

- **Ethical Use:** AI must be deployed responsibly, with clear guidelines to ensure fairness, accountability, and transparency.
- **Human Oversight:** Decisions made by AI systems must be understandable and reviewable by humans to maintain trust and accountability.
- **Legislative Compliance:** AI systems must align with current laws and regulations, including data protection and financial governance standards.
- **Technical Controls:** Municipalities should implement robust technical safeguards, including secure data handling, audit trails, and system integrity checks.
- **Public Engagement:** Regular information sessions and public consultations are essential to build awareness and trust in AI systems.
- **Data Sovereignty:** Data used by AI must be stored locally and securely to protect public interest and ensure national control over sensitive information.

Conclusion

By embedding these checks and balances, municipalities can harness the full potential of AI while safeguarding the integrity of public institutions and maintaining public trust.



THANK YOU



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