



Government Digest

Umsebenzi
Keeping you informed

Metrobuild
Promoting Infrastructure and Development

May 2016 Volume 35 No 10



Our Business is
Keeping You in Business

revenue

MetGovis is the solution for MPRA compliance, by Janet Channing, MD: MetGovis

Revenue is the wheel around which municipal business turns. MPRA (Municipal Property Rates Act) compliance is not just about ticking boxes. Its key focus is to maximise municipal revenue, which enables municipalities to operate and to deliver services effectively.

Property rates make a significant contribution to total revenue across the municipalities, ranging from 13% in Buffalo City to 39.3% in the City of Johannesburg. It makes sense to invest in doing it right and maintaining accurate property and valuation data. The valuer profession is concerned about the mechanisms required to test the accuracy of valuation rolls. It is guided by international valuation standards and best practice.

Municipalities must be confident of the accuracy and completeness of the values contained within the valuation rolls. The valuation rolls are the platforms for property tax for lengthy periods, four years for the metros and five years for local municipalities. Property owners have an expectation that property rates are calculated in a manner that is both accurate and transparent.

The Local Government: Municipality Property Rates Act, 6 of 2004 is complicated and its amendments, effective 1 July 2015, add further complexity. How do municipalities get it right?

There are two aspects to MPRA compliance: One is qualitative testing on how accurate the municipal valuations are and how fair and equitably the property tax net has been spread. The other relates to procedural compliance and considers whether a municipality has executed the prescribed business processes in the appropriate manner.

MPRA compliance requires an integrated approach. Government and the valuer profession are engaged to develop appropriate valuation standards, operational guidelines and to consolidate the case law required to enable municipalities and their appointed valuers to interpret the legislation consistently. Government must provide a monitoring checklist, as well as the reporting templates for procedural compliance.

Invest in a valuation management system which provides an appropriate end-to-end solution. A good valuation management system will support the preparation and maintenance of the valuation rolls and the accompanying business processes in compliance with the legislative framework.

Compliance with the requirements of the Auditor-General is also an important consideration. The solution should be backed by trustworthy technical support and reliable copyright. To build capacity, ensure that required technical skills are transferred to your municipality in a structured manner, so that the municipality's reliance on consultancy support diminishes over time.



Janet Channing

The MPRA Amendments to Section 82 transfer the obligation for provincial monitoring from "may" to "must". The roles and responsibilities of the provincial departments are no longer discretionary. The provisions are specifically written to ensure procedural compliance with the MPRA. Government must provide municipalities with a prescribed monitoring framework.

This will enable municipalities to submit the required documentation and reports to demonstrate their compliance. An easily accessible technology platform and data repository is key to making this easy for both municipalities and the provincial monitors. Programmatic reminders, explainer notes and videos are all available to support compliance within the MPRA space.

Speak to MetGovis about how they can assist your municipality towards achieving full MPRA compliance.

MetGovis
Tel: 033 343 2868
www.metgovis.co.za



MetGovis is the solution to MPRA compliance

Maximise your municipal revenue with MetVal™.

Invest in a proven property valuation management system to ensure your municipality can confidently comply with MPRA legislation. MetGovis's MetVal™ provides an integrated approach to accurate valuations and prescribed business processes. Contact MetGovis for advice on how our range of software solutions and consultancy services can assist towards achieving full MPRA compliance.



For more, please contact us on www.metgovis.co.za or 033 343 2868