



**Western Cape
Government**

Provincial Treasury

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Reference: T8/10/7

TREASURY CIRCULAR MUN NO 18/2014

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE
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THE MAYOR, MATZIKAMA MUNICIPALITY: MR J BOTHA
THE MAYOR, CEDERBERG MUNICIPALITY: MS L SCHEEPERS
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR F SCHIPPERS
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: MR N DE BRUYN
THE MAYOR, WITZENBERG MUNICIPALITY: MR J KLAZEN
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS G VAN DEVENTER
THE MAYOR, STELLENBOSCH MUNICIPALITY: MR CJ SIDEGO
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MR BD KIVEDO
THE MAYOR, LANGEBERG MUNICIPALITY: MS D GAGIANO
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR L DE BRUYN
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR CB PUNT
THE MAYOR, OVERSTRAND MUNICIPALITY: MS N BOTHA-GUTHRIE
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR R MITCHELL
THE MAYOR, SWELLENDAM MUNICIPALITY: MR N MYBURGH
THE MAYOR, EDEN DISTRICT MUNICIPALITY: MR V VAN DER WESTHUIZEN
THE MAYOR, KANNALAND MUNICIPALITY: MR J DONSON
THE MAYOR, HESSEQUA MUNICIPALITY: MS E NEL
THE MAYOR, MOSSEL BAY MUNICIPALITY: MS M FERREIRA
THE MAYOR, GEORGE MUNICIPALITY: MR C STANDERS
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR G APRIL
THE MAYOR, BITOU MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KNYSNA MUNICIPALITY: MS J WOLMARANS
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR E NJADU
THE MAYOR, LAINGSBURG MUNICIPALITY: MR W THERON
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR HT PRINCE

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR H PRINS
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR M BOLTON (ACTING)
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR I KENNED
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR L SCHEEPERS
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR M MGAJO
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: MR J METTLER
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS C LIEBENBERG
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR G MATTHYSE
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI (ACTING)
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR HSD WALLACE
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR D O'NEILL
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MR CM AFRICA
THE MUNICIPAL MANAGER, EDEN DISTRICT MUNICIPALITY: MR GW LOUW
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR M HOOGBAARD
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: DR M GRATZ

THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR R LOTTERING (ACTING)
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR A PAULSE
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MS L WARING
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR P WILLIAMS
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR H METTLER
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: MR J KOEKEMOER
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR M BOLTON
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR E ALFRED
THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR JA VAN NIEKERK
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR K COOPER
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS FA DU RAAN-GROENEWALD
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR C KRITZINGER
THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR J CARSTENS
THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR M WÜST
THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR CF HOFFMANN
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR JJ BURGER (ACTING)
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDE
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H VAN BILJON
THE CHIEF FINANCIAL OFFICER, SWELLENBOSCH MUNICIPALITY: MR H SCHLEBUSCH
THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT MUNICIPALITY: MS L HOEK
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR N DELO
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR HF BOTHA
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR K JORDAAN
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR RF BUTLER (ACTING)
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR F LÖTTER
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR G EASTON
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR N NORTJE (ACTING)
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD
THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J NEETHLING
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN (ACTING)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)
THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)
THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR Z HOOSAIN)
THE HEAD: PUBLIC POLICY SERVICES (MR H MALILA) (PRO TEM)
THE HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
THE HEAD: LOCAL GOVERNMENT PUBLIC FINANCE (MR F SABBAT) (ACTING)
THE HEAD: ASSET MANAGEMENT (MR IG SMITH)
THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUIS)
THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS T EVANS)
THE SENIOR MANAGER: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
THE SENIOR MANAGER: FINANCIAL GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: FISCAL POLICY (MR H MALILA) (PRO TEM)
THE SENIOR MANAGER: INFRASTRUCTURE (MS JD GANTANA) (PRO TEM)
THE SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING (MS N OLIPHANT)
THE SENIOR MANAGER: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR F SABBAT)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
THE SENIOR MANAGER: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR TL RADEBE)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS M KORSTEN)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS - NATIONAL TREASURY (MR J HATTINGH)

THE CHIEF DIRECTOR: MFMA IMPLEMENTATION - NATIONAL TREASURY (MR TV PILLAY)

EXEMPTION FROM REGULATIONS 15 AND 18 OF THE MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY LEVELS, 2007 – EXEMPTION NOTICE GAZETTE NO 37342

1. Purpose

To further clarify exemption notice, Gazette No 37342 issued on the 14 March 2014 which exempts all municipalities and municipal entities from regulation 15 and 18 of the Municipal Regulations on Minimum Competency Levels, 2007 (“the Regulations”).

2. Background

Provincial Treasury as required in the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), must monitor, assist and support municipalities in complying with the MFMA prescripts and related regulations.

The Municipal Regulations on Minimum Competency Levels, Gazette No 29967 of 15 June 2007 prescribes the required competency levels for uniform and consistent application of the Act.

National Treasury (NT) MFMA Circular No. 60 issued in April 2012 provided an approach to managing the requirements of the aforementioned regulations towards the deadline of 1 January 2013. It provided an opportunity to municipalities to apply to NT seeking its consideration to delay enforcement of certain provisions of the Regulations as a “Special Merit Case” (SMC). Consideration was given to delay enforcement of the deadline period up to eighteen months, to 1 July 2014.

National Treasury has issued an exemption notice (Gazette No 37432) which exempts all municipalities and municipal entities from regulation 15 and 18 of the Regulations subject to the period and conditions in paragraphs 2 and 3 of the exemption notice.

Although the Exemption Notice has been issued, the Regulations remain applicable and must be read together with the Exemption Notice.

3. Exemption to the Regulations

3.1 Exemption

The Exemption Notice specifically addresses;

- Regulation 15 or 18(2); that prevents municipalities and municipal entities to continue employing a financial official or supply chain management official who has not attained the required qualification and competency levels by the date stipulated in regulation 15 or 18(2); and

- Regulation 18(1); that prevents municipalities or municipal entities of appointing a person as a financial official or supply chain management official who do not meet the required minimum competency levels.

The Exemption Notice applies to the following municipal officials:

- Municipal financial officials and supply chain management officials as per the definition provided for in the Regulations who are currently employed and who do not meet the minimum competency levels.
- New financial officials and supply chain management officials as per the definition provided for in the Regulations that begin their employ from 1 April 2014 and do not meet the minimum competency levels.

3.2 Period of exemption

The Exemption Notice is applicable from 1 April 2014 to 30 September 2015. It should be noted that although exemption from regulation 15 and 18 has been granted, cognisance should be taken of the conditions attached to the exemption.

3.3 Conditions of exemption

The following conditions must be met by the Municipality in respect of the exemption notice:

- Financial or supply chain management officials who are employed by virtue of the exemption must attain the qualification and competency levels by 30 September 2015, this condition must be included in Personal Development Plans (PDP) which must be included in performance agreements. PDPs should detail how officials will be attaining any outstanding requirements in terms of the Regulations for the respective positions by 30 September 2015.
- The above mentioned condition must be included in a contractual agreement for all other officials who are not required to sign a performance agreement since it is a mechanism that binds them to attain the prescribed minimum competency levels for the respective positions by 30 September 2015. This document must therefore be signed by the official.
- The performance agreement/contractual agreements must state that officials will comply with the requirements of the exemption by 30 September 2015.
- A municipality or municipal entity must post the performance agreements and personal development plans, referred to above on the official website of the municipality or any other website the municipality might use for its postings.
- All new officials employed in a municipality or municipal entity from 1 April 2014 until 30 September 2015 will have 12 months from date of appointment to conclude all the

necessary prescribed competency levels or have their employment automatically terminated within one month after the end of the 12 month period.

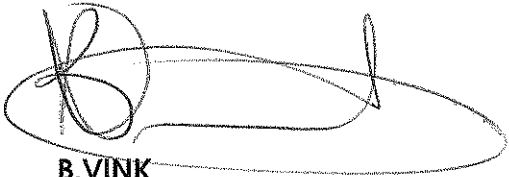
- National Treasury has further stated that after 30 September 2015, regulation 15 and 18 of the Regulation will be fully implementable and will prohibit the employment of any financial or supply chain management officials who do not meet the prescribed competency levels for their respective position. They furthermore indicate that any expenditure incurred contrary to this will be regarded as irregular expenditure.

3.4 Reporting requirements

- The municipality must submit a report to National Treasury Reporting in respect of those officials stipulated in the exemption notice. This is not a new report since the municipality is currently reporting on a quarterly basis on the Special Merit Application. The same excel spreadsheet (NT Annexure B) can be updated with the new information on newly appointed officials affected by the regulation and should still be accompanied by the covering letter explaining the status of current and new employees that need to comply with the regulation. The covering letter must be signed by the Municipal Manager.
- Further to note that National Treasury has stated that information on new appointees that are affected by the Regulation must be submitted to them within 7 days of the new appointment.
- The dates for submission of the progress reports on the implementation of the minimum competency levels to NT (mfma@treasury.gov.za) are as follows:
 - 30 June 2014
 - 30 September 2014
 - 10 December 2014
 - 30 March 2015
 - 30 June 2015
 - 30 September 2015

4. Conclusion

Enormous effort has been displayed by the Province towards achieving compliance with the Regulations; Municipalities are encouraged to continue on this trajectory with the objective of the Province achieving compliance with the Regulations by the extended timeframe of 30 September 2015. It is crucial that Municipalities make every effort to appoint appropriate and fully competent officials leading up to and going beyond 30 September 2015.



B. VINK

SENIOR MANAGER: CORPORATE GOVERNANCE

DATE:

14/4/2014