

Reference: T8/2/31

TREASURY CIRCULAR MUN NO 29 of 2014

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS
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: MS A STEYN
THE MAYOR, LANGEBOEG 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
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THE MAYOR, SWELLENDAM MUNICIPALITY: MR N MYBURGH
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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 KENNEDY
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
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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, LANGEBOEG 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
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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
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THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR CF HOFFMANN
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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 H MALILA) (PRO TEM)
THE HEAD: ASSET MANAGEMENT (MR IG SMITH)
THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)
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)

MGRO 1 STRATEGIC ENGAGEMENTS – 2014/15

1. PURPOSE

The purpose of this circular is to reiterate the objective of the Western Cape Government to improve the level of municipal governance and audit outcomes and to provide information regarding the MGRO 1 "strategic engagements" that will take place in September 2014. The Western Cape Government is cognisant of the fact that this goal can only be achieved through collaborative efforts by Provincial Treasury, Department of Local Government and Municipalities.

2. BACKGROUND

The Constitution in section 155(6) requires provincial government to provide for the monitoring and support of municipalities. The Municipal Financial Management Act, No 56 of 2003 (MFMA) mandates Provincial Treasury (PT), in terms of section 5, to monitor and support municipalities to comply with the MFMA thereby promoting sound and sustainable financial management.

The MGRO process aims to improve and promote clean governance within municipalities as well as actively assisting municipalities in further raising the level of their governance and resultantly, audit outcomes. This process supports the Provincial Strategic Objective 12 - "Being the best run regional government within the world" and the national initiative Operation Clean Audit – realising clean audit outcomes by 2014.

The MGRO process was initiated in September 2012 with the trilateral engagements on a district level between the Executive Management of Municipalities, PT and DLG inclusive of the MEC for Finance, Economic Development and Tourism. The following key principles were established in the aforementioned engagements:

- Commitment by all parties to the MGRO objective.
- Collaborative approach/partnership between parties is essential to achieve the MGRO objective.
- The Municipal Governance Action Plans (MGAP) will be determined by a municipal self-assessment against criteria provided by PT and DLG.
- PT and DLG to provide support to municipalities to assist in addressing gaps identified.

- PT, DLG and municipalities to monitor and evaluate the implementation of the MGAP.

Further engagements were held in February 2014 with each municipality to assess their key challenges in the 2012/13 audit outcomes and their audit readiness for the upcoming external audit. Following this, further engagements have taken place to support municipalities' in their endeavour to improve audit outcomes and governance.

3. 2014/15 MGRO 1 "STRATEGIC ENGAGEMENT"

The MGRO 1 strategic engagement is an annual engagement whereby Municipal, PT and DLG executive management collaborate on the strategic focus of the MGRO process within municipalities of the Western Cape to ensure that the MGRO objective is achieved.

The following key principles will be followed in terms of the engagements:

- Engagements will be held on a district level from the 17 – 23 September 2014.
- Attendees: Municipal Managers, Chief Financial Officers, Head of Human Resource, Head of Internal Audit and or Head of Risk Management, the Head of Provincial Treasury, Deputy Director Generals, relevant Chief Directors as well as the delegation from Department of Local Government and the MEC for Finance.
- Municipalities may stay for the whole day or only attend their allocated timeslot.

4. LOGISTICS

The sessions will be held per district with the City as a separate session in order to identify best practices and share experiences/provide guidance similarly to find amicable solutions to the many challenges relating to the local government audits.

Attached hereto please find the engagement schedule indicating the date and time slot for individual municipal visits according to the district.

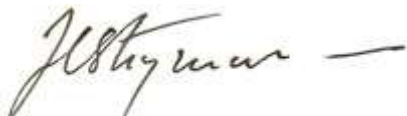
Confirmation of attendance or apologies should reach the Secretariat at the Provincial Treasury by no later than 1 August 2014.

Confirmation and any further enquiries in this regard may be directed to:

Attention : Ms Nangamso Sigwela
Sub-directorate : Corporate Governance: MFMA Compliance
Tel. : (021) 483 8223
Cell : 076 503 9555
E-mail : Nangamso.Sigwela@westerncape.gov.za

OR

Attention : Mr Bazil R Vink
Director : Financial Governance
(Governance, Risk, Compliance & Legal)
Tel. : (021) 483-6646
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DR JC STEGMANN
HEAD OFFICIAL: PROVINCIAL TREASURY
DATE: 2014/06/04

MGRO 1 – 2014 Engagement Schedule			
Date	Municipality	Time	Venue
Eden District 1			
16-Sept-14	George	1½ hour	Eden District
	Knysna	1½ hour	
	Mossel bay	1½ hour	
	Bitou	1½ hour	
	Hessequa	1½ hour	
	Eden District	1½ hour	
Eden District 2 & Central Karoo District			
17-Sept-14	Oudtshoorn	1½ hour	Eden District
	Kannaland	1½ hour	
	Beaufort West	1½ hour	
	Prince Albert	1½ hour	
	Laingsburg	1½ hour	
	Central Karoo District	1½ hour	
Overberg District			
18-Sept-14	Overstrand	1½ hour	Overberg District
	Theewaterskloof	1½ hour	
	Cape Agulhas	1½ hour	
	Swellendam	1½ hour	
	Overberg District	1 ½ hour	
Metro			
19-Sept-14	City of Cape Town	4 hours	City of Cape Town
Cape Winelands District			
22-Sept-14	Drakenstein	1½ hour	Cape Winelands District
	Stellenbosch	1½ hour	
	Witzenberg	1½ hour	
	Langeberg	1½ hour	
	Breede Valley	1½ hour	
	Cape Winelands	1½ hour	
West Coast District			
23-Sept-14	Swartland	1½ hour	West Coast District
	Bergrivier	1½ hour	
	Saldanha Bay	1½ hour	
	West Coast District	1½ hour	
	Matzikama	1½ hour	
	Cederberg	1½ hour	