

Reference: T8/2/31

TREASURY CIRCULAR MUN NO. 60 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, LANGE BERG 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

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THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR H PRINS
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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
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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, LANGE BERG MUNICIPALITY: MR SA MOKWENI
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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: MR G EASTON (ACTING)
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE
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THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
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THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR K JORDAAN
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: ADV F HUMAN (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 F SABBAT

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 (MS M KORSTEN)
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)
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THE SENIOR MANAGER: FINANCIAL GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: FISCAL POLICY (MR H MALILA) (PRO TEM)
THE SENIOR MANAGER: INFRASTRUCTURE (MR P CHANDAKA)
THE SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING (MS M FORTUIN) (ACTING)
THE SENIOR MANAGER: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR E JOHANNES) (ACTING)
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) (PRO TEM)
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 2 ENGAGEMENTS – “ENSURING THAT THE BASICS ARE ADHERED TO”

1. PURPOSE

The purpose of this circular is to communicate the MGRO 2 approach, engagement dates and requirements in respect of the upcoming MGRO 2 engagements that will be held from February 2015 with all Western Cape municipalities.

2. MGRO 2 APPROACH

The realisation of national, provincial and municipal strategic objectives is reliant on pervasive adherence to good governance principles. The MGRO 1 engagements in September 2014 have informed the strategic direction of the MGRO process for the 2014/15 municipal financial year. The MGRO 2 engagement aims to reiterate and focus the attention on ensuring that good governance principles are adhered to.

The MGRO 2 approach for 2015 supports COGTA's 'Back to Basics' (B2B) strategy to address municipal performance. The B2B approach focuses on the current challenges in the local government sphere, in the short and medium term specifically, in order to get the basics in municipal services right.

The MGRO partnership between Western Cape municipalities, Provincial Treasury and Department of Local Government allow the objectives of the B2B strategy to be synchronised into the MGRO process.

Listed below are the principles that underpin the B2B strategy:

- Putting people first
- Delivering basic services
- Good governance
- Sound financial management
- Building capacity

The current MGRO focus areas (quadrants) as contained in the MGRO criteria are depicted in the table below that support the B2B strategy:

MGRO focus areas:

Planning <ul style="list-style-type: none">• Integrated Development Plan• Pre-determined objectives• Revenue Management• Expenditure Management• Cash Management• Budget Management	Economic Growth <ul style="list-style-type: none">• Supply Chain Management• Asset Management
Financial Governance <ul style="list-style-type: none">• Accounting• Control Environment• Budget and Treasury Office Capacitation• System of Delegations• Policies• Code of Conduct• Risk Management• Internal Audit and Audit Committees• Municipal Websites• ITC Governance	Citizen Centric <ul style="list-style-type: none">• Access to Basic Services• Infrastructure• Municipal Performance Management• Public Participation• Municipal Communications• Disaster Management• Integrated Service Delivery

3. MGRO 2 ENGAGEMENT DATES

Kindly refer to the annexed engagement schedule (Annexure A); these dates have been agreed and confirmed with the respective municipal officials. However; should there be a need to reschedule an engagement kindly contact the office by no later than **8 December 2014**.

4. MGRO 2 ENGAGEMENT REQUIREMENTS

The February MGRO 2 engagements between Provincial Treasury, the Department of Local Government and municipalities will focus on the following matters:

- Progress achieved as at January 2015, with regards to adherence to MGRO criteria;
- The progress made regarding the implementation of 2013/14 municipal audit action plans; and
- Western Cape Government (WCG) progress regarding monitoring and support to municipalities towards the attainment of clean governance.

In preparation for the MGRO 2 engagements, municipalities are required to perform the MGRO self-assessment against agreed MGRO criteria which informs the compilation of municipal feedback presentations. A template (Annexure B) has been provided to facilitate the completion of municipal presentations.

In the context of the current economic environment and to demonstrate our commitment to cost containment we kindly request municipalities to arrange a municipal meeting venue.

Confirmation and any enquiries regarding the MGRO 2 engagements may be directed to:

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

Attention : Hayleen April
Directorate : Financial Governance: MFMA Compliance
Tel : (021) 483-4485
E-mail : Hayleen.April@westerncape.gov.za



DR JC STEGMANN
HEAD OFFICIAL: PROVINCIAL TREASURY
DATE: 2014/12/04

MGRO 2 – 2015 Engagement Schedule			
Region	Municipalities	Date	Time
Cape Winelands District	Langeberg	16 February 2015	09:00 – 12:30
	Breede Valley	16 February 2015	14:00 – 17:30
	Stellenbosch	16 February 2015	09:00 – 13:00
	Cape Winelands DM	17 February 2015	09:00 – 13:00
	Witzenberg	2 March 2015	10:00 – 14:00
	Drakenstein	2 March 2015	10:00 – 14:00
Eden District	Bitou	17 February 2015	08:00 – 12:00
	Knysna	17 February 2015	13:30 – 17:30
	George	18 February 2015	08:00 – 12:00
	Eden DM	18 February 2015	13:30 – 17:30
	Mossel Bay	19 February 2015	08:00 – 12:00
	Hessequa	19 February 2015	13:30 – 17:30
	Oudtshoorn	26 February 2015	08:00 – 12:00
	Kannaland	26 February 2015	13:30 – 17:30
West Coast District	Matzikama	18 February 2015	08:00 – 12:00
	Cederberg	18 February 2015	14:00 – 17:30
	Bergrivier	19 February 2015	08:00 – 12:00
	West Coast DM	19 February 2015	14:00 – 17:30
	Saldanha Bay	24 February 2015	08:00 – 12:00
	Swartland	24 February 2015	14:00 – 17:30
Overberg District	Cape Agulhas	20 February 2015	08:00 – 12:00
	Overberg DM	20 February 2015	14:00 – 17:30
	Swellendam	20 February 2015	10:00 – 14:00
	Theewaterskloof	25 February 2015	08:00 – 12:00
	Overstrand	25 February 2015	14:00 – 17:30
Central Karoo District	Central Karoo DM	24 February 2015	08:00 – 12:00
	Beaufort West	24 February 2015	13:30 – 17:30
	Laingsburg	25 February 2015	08:00 – 12:00
	Prince Albert	25 February 2015	13:30 – 17:30
Metro	City of Cape Town	26 February 2015	10:00 – 13:00



**Western Cape
Government**

Provincial Treasury

BETTER TOGETHER.

ANNEXURE B

MGRO 2

“ENSURING THAT THE BASICS ARE BEING ADHERED TO”

XXXXX Municipality

xx February 2015

Presentation Outline

1. Progress made i.t.o MGRO criteria implementation
2. Progress i.t.o municipal audit action plan
3. Challenges: MGRO implementation
4. Support required from PT/DLG
5. The Way Forward

MGRO Criteria Implementation



Western Cape
Government

Provincial Treasury

Planning



Western Cape
Government

Provincial Treasury

Planning

Efficient, Effective and Economical use of resources

Area	Key Issues	Progress
Integrated Development Plan		
Predetermined Objectives		
Budget Management		
Cash Management		
Revenue Management		
Expenditure Management		

Economic Growth



Western Cape
Government

Provincial Treasury

Economic Growth

Strategies to grow economy to reduce burden of unemployment by using buying power through

Area	Key Issues	Progress
Supply Chain Management		
Asset Management		

Financial Governance



Western Cape
Government

Provincial Treasury

Financial Governance

Instilling confidence that resources are used optimally and responsibilities		
Area	Key Issues	Progress
Accounting		
Control Environment		
Budget and Treasury Office Capacitation		
System of Delegation		
Policies		

Financial Governance

Instilling confidence that resources are used optimally and responsibilities

Area	Key Issues	Progress
Code of Conduct		
Internal Audit and Audit Committees		
Municipal Websites		
ITC Governance		

Citizen Centric



Western Cape
Government

Provincial Treasury

Citizen Centric

Responsive to the needs of the community

Area	Key Issues	Progress
Access to Basic Services		
Infrastructure		
Public Participation		
Municipal Communications		
Municipal Performance Management		
Disaster Management		

Progress on 2013/14 Municipal Audit Action Plan



Western Cape
Government

Provincial Treasury

Progress i.t.o 2013/14 Municipal Audit Action Plan

Audit Outcome:

Area	Finding	Action Plan	Progress

MGRO Implementation Challenges

MGRO Implementation Challenges

Support required from PT/DLG



Western Cape
Government

Provincial Treasury

Support Required from PT/DLG

The Way Forward

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Thank you