



Reference: RCS/C.5

TREASURY CIRCULAR MUN NO 11/2016

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THE MAYOR, CEDERBERG MUNICIPALITY: MR J MULLER
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 B KLAASEN
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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, KANNALAND MUNICIPALITY: MR J DONSON
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THE MAYOR, MOSSEL BAY MUNICIPALITY: MS M FERREIRA
THE MAYOR, GEORGE MUNICIPALITY: MR C STANDERS
THE MAYOR, BITOU MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KNYSNA MUNICIPALITY: MS J WOLMARANS
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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, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS (ACTING)
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THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR A PAULSE
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR G EASTON
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THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR CF HOFFMANN
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THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR F LÖTTER
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MS P GOBRIE
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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)

THE COMPLETION OF QUARTER 3 (2015/16) MGRO MUNICIPAL SELF-ASSESSMENTS

1. PURPOSE

The purpose of this circular is to notify all municipalities/municipal officials of the impending completion of the MGRO self-assessment that must be completed on the mGAP tool and the due date postponement to the 31st May 2016.

2. BACKGROUND

Section 155(6) of the Constitution of South Africa mandates Provincial Government with the responsibility to provide for the monitoring and support of Local Government and to promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs.

The Municipal Financial Management Act, No. 56 of 2003 (MFMA) further 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.

With this in mind, Provincial Treasury in partnership with Department of Local Government (DLG) and municipalities embarked on the Municipal Governance Review and Outlook (MGRO) process. This process is aimed at systematically improving the municipal governance maturity capability and financial management within municipalities, enabling operational effectiveness, efficiency and accountability. The objective of the aforementioned will be the improvement of municipal governance, audit outcomes and service delivery to communities. This process supports the National Development Plan and the Back-to-Basics strategy and is at the center of Provincial Strategic Goal 5 which states: "Good governance and integrated service delivery through partnerships and spatial alignment".

Provincial Treasury has developed an Excel tool to assist the municipalities with the MGRO process and the development of this automated tool was in response to requests from municipalities to streamline the MGRO process.

The tool provides municipalities with MGRO criteria (Municipal Governance Maturity Capability Model) against which self-assessments are conducted. The results thereof inform Municipal Governance Action Plans (MGAPs) and support plans that address the identified deficiencies.

The current scenario is not ideal as the Excel tool is not the most effective and efficient mechanism in terms of the MGRO process requirements. In addition a significant amount of manual intervention is required in order to consolidate municipal input from all the municipalities across the province. This poses a huge reporting risk in terms of data accuracy and reporting inconsistency as well as information security.

You will recall from previous communications, in response to the aforementioned challenge and the requests from stakeholders for an electronic tool; Provincial Treasury initiated the development and implementation of the MGRO mGAP tool.

The mGAP tool is a standardized tool across the Western Cape Government, developed in consultation with stakeholders that enables the MGRO process and the achievement of MGRO objectives in a more effective and efficient manner.

3. BENEFITS OF THE mGAP TOOL

The benefits of the mGAP tool are as follows:

- It provides for a standardised mechanism across all the municipalities relating to the MGRO self-assessment process.
- It is web-based and can be accessed remotely.
- The risk of data security is eradicated and conforms to the POPI legislation.
- Manual intervention for data consolidation has been removed, resulting in more consistent and accurate reporting.
- Most importantly, it will assist the municipalities to monitor their compliance requirements relating to the MGRO strategy, more effectively and efficiently.
- A further development currently in progress is a dashboard module. This will allow municipal management to view the overall maturity levels within the various MGRO focus areas and to interrogate the supporting information to further improve on their underlying capabilities.

4. PROCESS SUPPORT

With the transition of the manual MGRO process to the automated process on the mGAP tool, it is important that an appropriate user support infrastructure is in place in order to support users during the initial transition period. Training sessions to municipal staff on the new mGAP tool were conducted and training manuals were made available to all users towards the end of last year and the beginning of 2016.

Users have been registered on the system based on the registration forms received to date. The respective assessments have been published to the appropriate registered users for completion.

Furthermore this is an opportunity for municipalities to ensure that their appropriate staff members are registered on the mGAP system. As a result we attached a registration form (see **Annexure A**) which must be completed for unregistered users and submitted via email to the above helpdesk.

Should you require any further assistance kindly contact:

Mr Deon Arends on 021 483 4379; or

Helpdesk: email: Deon.Arends@westerncape.gov.za

Please note that the above contact details are temporary. We are in the process of finalising new contact details which will be communicated to you in due course for future assistance.

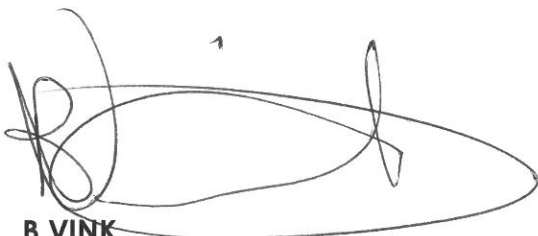
5. IMPORTANT DATES

Kindly take cognisance that:

- (1) No manual submissions via excel or paper will be accepted as it will severely impact on the new automated mGAP tool.
- (2) Municipalities are requested to complete and submit all their MGRO self-assessments on the mGAP tool relating to Quarter 3 (2015/16).
- (3) Due date for submission by no later than 31 May 2016.

The Provincial Treasury is very excited and committed in streamlining the MGRO process and in particular partnering with you in achieving national and provincial objectives.

We also take this opportunity to thank you for your support and continuous commitment.



B VINK

DIRECTOR: FINANCIAL GOVERNANCE

DATE:

14/4/2016

Annexure A



In order to ensure that the appropriate MGRO assessments for the individual focus areas are published to the appropriate municipal staff, kindly complete the template below. Please email your completed form to the MGAP system administrator (email: Deon.Arends@westerncape.gov.za)

Name of Municipality:.....

MGRO Focus Areas	Name of Municipal Official (MO) responsible to complete assessment	Name of Municipal Reviewer (MR) responsible to review completed assessments	Name of Municipal Champion (MC) responsible for co-ordinating MGRO activities
Pre-determined Objectives			
Performance Management			
BTO Capacitation & Dev.			
Revenue Management			
Expenditure Management			
Cash Management			
Accounting			
Risk Management			
Risk Committee			
Internal Audit			
Audit Committee			
Supply Chain Mgt (SCM)			
Asset Management			
System of Delegation			
Financial Policy			
Code of Conduct			
Websites			

Should any of the staff members indicated above, **not** have access to the mGAP tool, please complete the attached "mGAP Tool registration" form below for each user and send it to the following email address (Deon.Arends@westerncape.gov.za)



mGAP TOOL REGISTRATION FORM

Applicant details:

Name of Municipality	
Name and Surname	
Job Title	
Job Description	
Directorate	
Role of reporting senior	
Cell / office number	
Email Address	

Please indicate with an "x" the mGRO focus area (s) which you are responsible for

Pre-determined Objectives		Performance Management		BTO Capacitation & Dev.	
Revenue Management		Expenditure Management		Cash Management	
Accounting		Risk Management		Risk Committee	
Internal Audit		Audit Committee		Supply Chain Mgt (SCM)	
Asset Management		System of Delegations		Financial Policy	
Code of Conduct		Websites			

Please indicate with an "x" the user access role being applied for:

Role	Yes	No
Municipal Champion • MGRO municipal co-ordinator		
Municipal official • Complete MGRO assessments		
Municipal Reviewer • Review completed assessments		

.....
 Manager / Supervisor (Name & Signature)

.....
 Date: