

Reference: RCS/C.6

TREASURY CIRCULAR NO. 22/2016

THE PREMIER

THE MINISTER OF ECONOMIC OPPORTUNITIES

THE MINISTER OF COMMUNITY SAFETY

THE MINISTER OF CULTURAL AFFAIRS AND SPORT

THE MINISTER OF EDUCATION

THE MINISTER OF FINANCE

THE MINISTER OF HEALTH

THE MINISTER OF HUMAN SETTLEMENTS

THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

THE MINISTER OF SOCIAL DEVELOPMENT

THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

For information

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)

THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (DR G LAWRENCE)

THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR Z HOOSAIN)

THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)

THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MS P VINJEVOLD)

THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR B ENGELBRECHT)

THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)

THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR T MGULI)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)

THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)

THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)

THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)

THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)

THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)

THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)

THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)

THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)

THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)

THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)

THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)

THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)

THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)

THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)

THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)

THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)

THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)

THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR T HARRIS)

THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR D SOUTHGATE) (ACTING)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE HERITAGE (MS HM DU PREEZ) (ACTING)

THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR M BRINKHUIS)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (DR L MDUNYELWA)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR T SWART) (ACTING)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR I BLACKIE)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
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 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MS V LETSWALO)
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 THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN)
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 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR M SIGABI) (ACTING)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR IG SMITH)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR B VINK) (ACTING)
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
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 THE DIRECTOR: FINANCIAL GOVERNANCE (MS N PALMER) (ACTING)
 THE DIRECTOR: FISCAL POLICY (MR D TSENG) (ACTING)
 THE DIRECTOR: INFRASTRUCTURE (MR P CHANDAKA)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR L BRINDERS)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MS S CUPIDO) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR Z ZONYANE) (ACTING)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS R SLINGER)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MS R ESACK) (ACTING)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

THE PROVINCIAL TREASURY 1st AND 2nd QUARTER ENGAGEMENTS WITH DEPARTMENTS

1. PURPOSE

The purpose of this Circular is to communicate to Accounting Officers the planned quarterly engagements with departments on governance requirements in the 1st and 2nd quarters of the financial year.

2. BACKGROUND

The Provincial Strategic Plan (PSP), and related provincial strategic goals, is rooted in a very clear vision that the Western Cape Government set out in 2009: namely, to realise an open-opportunity society for all, so that residents of the Province can use their freedom to live lives they value. It is closely aligned with the National Development Plan (NDP), which commits South Africa to ending poverty by 2030; as well as the Medium-term Strategic Framework 2014 - 2019, the national implementation framework for the NDP.

The Provincial Strategic Plan: 2014 - 2019 sets out the Western Cape Government's vision and strategic priorities – together with the action plan to create conditions for economic growth, provide better education, and deliver better health, safety and social services to our citizens.

The PSP sets out five Strategic Goals, each backed by a plan to maintain continuous improvement in the lives of citizens. None of the strategic goals can be fully achieved unless strategic goal five is embedded in everything we do.

The former Financial Governance Review and Outlook (FGRO) and the current integrated Corporate Governance Review and Outlook (CGRO) are processes that have been introduced over the past couple of financial years and will be further refined over the next MTEF cycle. This is aimed at invariably supporting the NDP, National Outcomes and PSG 5.

The CGRO process has accelerated change within Treasury over the years and has allowed us to reflect on the changing landscape, with the aim of adding value to our clients. Hence we used CGRO as a lever to systematically achieve higher levels of financial governance maturity over the medium to long term. This has yielded positive results when one reflects on audit outcomes, but our purpose and mission is aiming to achieve higher; it is good governance in every aspect of our daily activities. Good audit outcomes will thus become a by-product of excellence in the way we do things. These quarterly engagements aim to further strengthen these initiatives.

3. FRAMEWORK FOR THE QUARTERLY ENGAGEMENTS

It must be noted that the first two quarterly engagements for the financial year will be a precursor to the MTEC 1 and 2 engagements to be held in the 3rd and 4th quarters of the financial year.

The 1st quarter meeting will take place from 20 - 24 June 2016 and the 2nd quarter engagement will take place during August 2016.

The June 2016 quarterly Governance engagement will focus on the following critical areas:

- Presentation on Governance Integration Strategy;
- Key issues emanating from the MTECs, and more specifically, management of CoE;
- Response on Emerging Risks;
- Business Intelligence for decision-making; and
- Providing the framework for the Public Entity review.

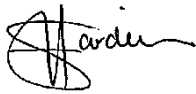
This however does not limit additional issues being raised. Attached please find the detailed Agenda for the June engagements.

ENQUIRIES

For general enquiries on this circular, or for further information, please feel free to contact:

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|---|--------------|--|
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| Provincial Treasury (Governance documentation) | Mr F Jacobs | Frank.Jacobs@westerncape.gov.za |
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| Provincial Treasury | Mr P Pienaar | Paul.Pienaar@westerncape.gov.za |

Thank you for your support and cooperation throughout this process.



MR A HARDIEN

DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT

DATE: 27 May 2016



AGENDA

QUARTERLY DEPARTMENTAL ENGAGEMENTS

Department

Date: TBC

Time: TBC

Venue: TBC

| Item | Responsibility | Time |
|---|-----------------------------------|--------|
| 1. Welcome and Introductory remarks | Chair – Head of Treasury | |
| 2. Purpose | Branch Head | 5 min |
| 3. Presentation on Governance Integration Strategy | Isac Smith | 15 min |
| 4. Key issues emanating from the MTECs, and more specifically, management of COE | Analiese Pick/ Michael Hendrickse | 15 min |
| 5. Response on Emerging Risks a. SCM governance & monitoring linked to emerging risks identified in audit reports <ul style="list-style-type: none">• National Treasury Regulations• Preferential Procurement Regulations• National Treasury Instruction Notes and Circulars b. SCM Technology linked to emerging risks identified in audit reports <ul style="list-style-type: none">• Central Supplier Database• eTender publication portal c. Inventory Preparation for full reporting on inventory for the 2016/17 financial year, inclusive of 2015/16 comparative figures. d. Measurement of immovable capital assets With effect from 1 April 2016 all immovable assets should be valued at cost. e. Capital work in progress With effect from 1 April 2016 the current annexure on “Movements in Capital Work in Progress” will form part of the notes to the financial statements and | Departments to lead discussion | 25 min |

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| <p>become auditable.</p> <p>f. Disclosure notes – Material Misstatements There should be increased review of disclosure notes that are dependent on manual inputs. There is a risk that the requirements regarding disclosure will increase.</p> <p>g. Integrated Financial Management System (IFMS) A new tender on the implementation of the IFMS was issued by NT, although the announcement of the award is imminent, departments should be prepared to convert all the relevant transversal systems and data to the new system by 1 April 2018.</p> | | |
| 6. Presentation on Business Intelligence for decision making | Nadia Ebrahim | 15 min |
| 7. Presentation on the framework for the Public entity review | Aziz Hardien | 10 min |
| 8. Way Forward | Provincial Treasury | 5 min |
| 9. Closure | | |