

Reference: RCS/C.5

## **TREASURY CIRCULAR MUN NO. 17/2017**

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE  
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS  
THE MAYOR, MATZIKAMA MUNICIPALITY: MS G STEPHAN  
THE MAYOR, CEDERBERG MUNICIPALITY: MR J BARNARD  
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL  
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR M KOEN  
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN  
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT  
THE MAYOR, WITZENBERG MUNICIPALITY: MR BC KLAASEN  
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR CJ POOLE  
THE MAYOR, STELLENBOSCH MUNICIPALITY: MS G VAN DEVENTER  
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN  
THE MAYOR, LANGEBOEG MUNICIPALITY: MR HM JANSEN  
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR S FRANKEN  
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MS CJM VOSLOO  
THE MAYOR, OVERSTRAND MUNICIPALITY: MR RJ SMITH  
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR PJ SWART  
THE MAYOR, SWELLENDEAM MUNICIPALITY: MR NG MYBURGH  
THE MAYOR, EDEN DISTRICT MUNICIPALITY: MR M BOOYSEN  
THE MAYOR, KANNALAND MUNICIPALITY: MS M BARRY  
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDELS  
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR HJ LEVENDAL  
THE MAYOR, GEORGE MUNICIPALITY: MR MG NAIK  
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR CF SYLVESTER  
THE MAYOR, BITOU MUNICIPALITY: MR MP LOBESE  
THE MAYOR, KNYSNA MUNICIPALITY: MS E BOUW-SPIES  
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR N CONSTABLE  
THE MAYOR, LAINGSBURG MUNICIPALITY: MR AA MARTHINUS  
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING  
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR J VAN DER LINDE

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THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR H PRINS  
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR DP LUBBE  
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATTHYSE  
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE  
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR G SMITH (ACTING)  
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: DR J LEIBBRANDT  
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METLER  
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS  
THE MUNICIPAL MANAGER, LANGEBOEG MUNICIPALITY: MR SA MOKWENI  
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI  
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR J BARNARD (ACTING)  
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD  
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR D O'NEILL  
THE MUNICIPAL MANAGER, SWELLENDEAM MUNICIPALITY: MR CM AFRICA  
THE MUNICIPAL MANAGER, EDEN DISTRICT MUNICIPALITY: MR M STRATU  
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR R STEVENS  
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS  
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: ADV MG GILIOME

THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA  
 THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR R SMIT (ACTING)  
 THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR T NDLOVU  
 THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR J DOUGLAS (ACTING)  
 THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE  
 THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR SC PIETERSE (ACTING)  
 THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR H METTLER  
 THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR K HAARHOFF (ACTING)

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY  
 THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: MR J KOEKEMOER  
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 THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR E ALFRED  
 THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR G GOLIATH  
 THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER  
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 THE CHIEF FINANCIAL OFFICER, BREED VALLEY MUNICIPALITY: MR R ONTONG (ACTING)  
 THE CHIEF FINANCIAL OFFICER, LANGEBOEG MUNICIPALITY: MR B BROWN  
 THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: DR J TESSELAAR  
 THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW  
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 THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT MUNICIPALITY: MS L HOEK  
 THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR B STRYDOM  
 THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN  
 THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR H LE ROUX (ACTING)  
 THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR K JORDAAN  
 THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR F LÖTTER  
 THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR G GROENEWALD (ACTING)  
 THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR M MEMANI  
 THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MS U BAARTMAN  
 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 CJ KYMDELL (ACTING)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)  
 THE DEPUTY DIRECTOR GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)  
 THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN)  
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS M KORSTEN)  
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)  
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR A DYAKALA) (ACTING)  
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR IG SMITH)  
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR L BRINDERS) (ACTING)  
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUY)  
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 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)  
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS N SIGWELA) (ACTING)  
 THE DIRECTOR: FISCAL POLICY (DR N NLEYA)  
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)  
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR T MADONDILE) (ACTING)  
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR A DYAKALA)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)  
 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 RH 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 (MR A MAZOMBA)

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)

**WESTERN CAPE PROVINCIAL TREASURY FINANCIAL MISCONDUCT WORKSHOP**  
**DATE: 27 AND 28 JULY 2017**

**1. PURPOSE**

This circular serves to invite municipalities to attend a Financial Misconduct Workshop hosted by Western Cape Provincial Treasury to be held on the **27 and 28 July 2017 at Strand Towers in Cape Town.**

The theme chosen for the workshop is **“Building Integrity Together”** with the purpose of actively seeking to tackle corruption and fraud by building integrity through a proactive approach and working together on improving the provision and performance of public services.

**2. BACKGROUND**

In terms of section 34 of the Municipal Finance Management Act No. 56 of 2003 (MFMA), National and Provincial government must by agreement assist municipalities in building the capacity of municipalities for efficient, effective and transparent financial management.

Section 175 of the MFMA provides for matters to address financial misconduct. The Municipal Regulations on Financial Misconduct and Criminal Proceedings came into effect on 1 July 2014. Subsequent to that, MFMA Circular 76 was issued in October 2015 in support of the Regulations. The objective of the Regulations is to set out processes and procedures to be followed when dealing with incidences of financial misconduct.

The Western Cape Provincial Treasury in partnership with National Treasury is monitoring, supporting and assisting Western Cape municipalities towards the effective implementation of the Regulations and the achievement of its intended objectives.

In light of the above and to avoid municipal officials being frequently out of office, it was then decided to have the forums and workshop taking place concurrently after consulting the CAE Forum members.

**3. OBJECTIVE OF THE WORKSHOP**

The objectives of the workshop are to:

- Clarify and practically demonstrate processes and procedures that municipalities must follow when dealing with allegations of financial misconduct;

- Promote sound financial governance and accountability; and
- Facilitate and encourage knowledge sharing.

#### 4. REQUEST

Municipalities are hereby invited to attend the workshop. Attendance per municipality is limited to 2 delegates. Confirmation of attendance should reach Western Cape Provincial Treasury by no later than **11 July 2017** via email by completing the attached form. It is important for officials to confirm attendance in order to finalise the necessary logistical arrangements. A detailed agenda outline is attached for your reference. All communication related to the above request or any queries relating to the circular should be sent to the following official:

Name : Babalwa Tyholweni  
Email Address : [Babalwa.Tyholweni@westerncape.gov.za](mailto:Babalwa.Tyholweni@westerncape.gov.za)  
Telephone Number : 021 483 3669



**LANCE BRINDERS**

**ACTING CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING**

**DATE:** 5 July 2017



## AGENDA DETAIL

ITEM/MATTER	
1.	<b>Opening &amp; Welcoming</b>
2.	<b>Municipal Regulations of Financial Misconduct Procedures and Criminal Proceedings, 2014:</b> <ul style="list-style-type: none"><li>• How does the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 and MSA Disciplinary Regulations for Senior Managers, 2010 differ?</li><li>• How do the MFMA Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 and MSA Disciplinary Regulations for Senior Managers, 2010 relate to other anti-corruption legislation?</li></ul> <b><u>Disciplinary Boards</u></b> <ul style="list-style-type: none"><li>• Establishment of the disciplinary board vs MPAC: what are the difference?</li><li>• What skill sets are required of disciplinary board members?</li></ul> <b><u>Practical examples of Irregular, Unauthorised and Fruitless and Wasteful Expenditure – that can be deemed financial misconduct</u></b>
3.	<b>Enforcement: what are the roles and responsibilities of other investigative agencies?</b> <ul style="list-style-type: none"><li>• How SAPS and other key local agencies communicate with government institutions in respect of commercial crimes</li><li>• What rights does the municipality have in the investigation, what right agencies have to access the data and evidence?</li><li>• How to respond when SAPS (and others) gain access to your employees' laptops and other municipal property/proprietary information.</li></ul>

ITEM/MATTER
<p><b>4. Investigative Tools:</b></p> <ol style="list-style-type: none"> <li>1. National Treasury mandate and investigative capacity to support local government.</li> <li>2. Investigation Approach, methodology and use of external forensic Specialists.</li> <li>3. Considerations to be made when securing supporting evidence during investigations.</li> </ol>
<p><b>5. Panel Discussion:</b></p> <p>The benefits of having a culture of investigating allegations of financial misconduct.</p>
<p><b>6. Catching the big fish – tactics from an NPA Prosecutor:</b></p> <ul style="list-style-type: none"> <li>• Lessons learnt from the NPA fraud and white collar crime landscape</li> <li>• Key factors in navigating a complex, high-stakes investigation</li> <li>• Sneak-peak into 'Investigating Like the NPA</li> </ul>
<p><b>7. DAY Wrap Up</b></p>
<p><b>8. Auditing Consequence Management</b></p>
<p><b>9. Building fraud prevention into SCM policy design</b></p>
<p><b>10. How to secure and safe-guard evidence</b></p>
<p><b>11. Accessing and securing digital evidence in complex investigations:</b></p> <ul style="list-style-type: none"> <li>• Is there an underinvestment in anti-fraud technology across the board?</li> <li>• Overcoming the increasingly difficult digital landscape faced by fraud investigators.</li> <li>• What are the obstacles to securing digital evidence?</li> <li>• Practical steps to identify, seize, and secure the digital evidence needed to prosecute.</li> </ul>
<p><b>12. Concluding Remarks &amp; Closure</b></p>



Tel: +27 21 483 6695

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