

**PROVINSIALE TESOURIE • PROVINCIAL TREASURY •
UNONDYEBU WEPHONDO**



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Enquiries
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T. Bowers

TREASURY CIRCULAR MUN 13 of 2009

THE MAYOR, CITY OF CAPE TOWN: MR D PLATO
THE MAYOR, WEST COAST DISTRICT: MRS H KITSHOFF
THE MAYOR, MATZIKAMA MUNICIPALITY: MR P BOK
THE MAYOR, CEDERBERG MUNICIPALITY: MS J MOUTON
THE MAYOR, BERGRIVIER MUNICIPALITY: MR S CLAASSEN
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR J SKEI
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
THE MAYOR, CAPE WINELANDS DISTRICT: MR CW JOHNSON
THE MAYOR, WITZENBERG MUNICIPALITY: MR K CLASSEN
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS C MANUEL
THE MAYOR, STELLENBOSCH MUNICIPALITY: ALDERMAN PM SWARTZ
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MR C NTSOMI
THE MAYOR, BREEDE RIVER/WINELANDS MUNICIPALITY: MR SJ NGONYAMA
THE MAYOR, OVERBERG DISTRICT: MS M GILLION
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR C PUNT
THE MAYOR, OVERSTRAND MUNICIPALITY: MR T BEYLEVELDT
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR R MITCHELL
THE MAYOR, SWELLENDAM MUNICIPALITY: MR J JANSEN
THE MAYOR, EDEN DISTRICT: MR J HARMSE (Acting)
THE MAYOR, KANNALAND MUNICIPALITY: MR N VALENTYN
THE MAYOR, HESSEQUA MUNICIPALITY: MR CP TAUTE
THE MAYOR, MOSSEL BAY MUNICIPALITY: ALDERMAN M FERREIRA
THE MAYOR, GEORGE MUNICIPALITY: MR BH DE SWART
THE MAYOR, OUDTSHOORN MUNICIPALITY: MS D DE JAGER
THE MAYOR, BITOU MUNICIPALITY: MR LL MVIMBI
THE MAYOR, KNYSNA MUNICIPALITY: MS E BOUW-SPIES
THE MAYOR, CENTRAL KAROO DISTRICT: MR T PRINCE
THE MAYOR, LAINGSBURG MUNICIPALITY: MS R MEYER
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MS M BENJAMIN
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MS J JONAS

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM
THE MUNICIPAL MANAGER, WEST COAST DISTRICT: MR WP RABBETS
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR DG O'NEILL
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATHYSE
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: MS C LE ROUX
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR D DANIELS (Acting)
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: DR S KABANYANE
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MR I KENNEDE
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR A PAULSE
THE MUNICIPAL MANAGER, BREEDE RIVER/WINELANDS: MR SA MOKWENI
THE MUNICIPAL MANAGER, OVERBERG DISTRICT: MR GW HERMANUS (Acting)
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR HD WALLACE
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: ADV W ZYBRANDT
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR R STEPHENS
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MR WF HENDRICKS
THE MUNICIPAL MANAGER, EDEN DISTRICT: MR G LOUW
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THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR L NGOOQ
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR J DOUGLAS
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT: MR S JOOSTE
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR P WILLIAMS
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR D ROSSOUW
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR M RICHARDSON
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 THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR JA VAN NIEKERK
 THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR J LUUS
 THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR K COOPER
 THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT: MR JG MARAIS
 THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR R ESAU
 THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR CM PETERSEN
 THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR M BOLTON
 THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
 THE CHIEF FINANCIAL OFFICER, BREEDE RIVER/WINELANDS: MR CF HOFFMANN
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 THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR LH FOURIE
 THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR T MATHYSEN (Acting)
 THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR D LOTT
 THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR G EASTON
 THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT: MR CJ KYMDELL
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 THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J VAN DER WESTHUIZEN
 THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR D LOUW

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 TC ARENDSE) (ACTING)
 THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
 THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)
 THE HEAD: FINANCIAL GOVERNANCE (MR A REDDY) (ACTING)
 THE HEAD: ASSET MANAGEMENT (MR TD PILLAY)
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 THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)
 THE SENIOR MANAGER: INTERNAL AUDIT: GOVERNANCE AND ADMINISTRATION CLUSTER (MS B CAIRNCROSS)
 THE SENIOR MANAGER: INTERNAL AUDIT: SOCIAL CLUSTER (MR M MALULEKA)
 THE SENIOR MANAGER: INTERNAL AUDIT: ECONOMIC CLUSTER (MR J RADEBE)
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 THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)
 THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS A PICK) (PRO TEM)
 THE SENIOR MANAGER: IMMOVABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)
 THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM)
 THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)
 THE HEAD: OFFICE OF THE MINISTRY (MS J DAVIDS)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT AND HOUSING

MONITORING OF THE ANNUAL REPORTING PROCESS IN TERMS OF THE MFMA BY MEANS OF AN ANNUAL REPORTING PROGRAMME

1. PURPOSE

The purpose of this circular is to inform the municipality of the Annual Report Programme for 2008/2009.

2. BACKGROUND AND INTRODUCTION

The main function of Provincial Treasury remains as an oversight functionary expected to perform a host of activities. One such activity is the monitoring of the Annual Reporting process in which the various steps are highlighted in the attached Annual

Reporting Programme (2008/09), (See Annexure A).

The Corporate Governance: Local Government and **Accounting: Local Government** components within the **Chief Directorate: Financial Governance** are tasked with monitoring the process as mentioned above. Some of the activities that these components are mandated to engage in has been highlighted in PT Circular 19 of 2006.

3. DISCUSSION

The use of the Annual Reporting Programme is beneficial to all parties concerned since it gives Treasury an indication of the level of compliance with the provisions of the MFMA (*in respect of Annual Reporting and its prescribed due dates*) and also highlights the areas where assistance may be required by municipalities in order to comply. Furthermore this programme can also be used as a management tool for the municipality in order to achieve the required compliance in respect of the timelines set by the MFMA.

In the monitoring of this programme the team members of the **Corporate Governance: Local Government** and **Accounting: Local Government** components will communicate with municipalities on a regular basis either telephonically, via email or by fax in order to ascertain the progress or status of each step within the programme. Please note that the following officials will be conducting such follow-ups for their respective Districts and the local municipalities that resort's under that district:

Corporate Governance:

- Tracy Bowers: ***West Coast District and City Cape Town***
- Melissa van Niekerk/Hayleen Cartstens: ***Cape Winelands District***
- Elizabeth Letsoalo: ***Overberg District and Central Karoo District***
- Wendy Arendse: ***Eden District***

Accounting:

- Micheline Fortuin: ***West Coast District, Central Karoo District and Overberg District***
- Thobelani Madondile: ***Eden District, Cape Winelands District and Metro***

4. CONCLUSION

This programme does not reflect the internal activities within the Municipality, but

rather focuses on the critical deadlines as prescribed, directed and guided in the relevant legislation and guidelines.

Your assistance and co-operation regarding the Annual Reporting Programme will be greatly appreciated.

A handwritten signature in purple ink, appearing to be 'B. Vink', enclosed within a large, loopy oval shape.

MR. B. VINK
SENIOR MANAGER: CORPORATE GOVERNANCE

DATE: 23/6/2009.

2008/09 AFS AND ANNUAL REPORTING PROGRAMME

ACTIVITY	DATE	RESPONSIBILITY	LEGISLATIVE REF.
1. Municipal Training on GRAP Standards	22-24 June 2009	National Treasury and WCPT	Section 5(2)(c)(ii) of the MFMA
2. Preparation of Annual Financial Statements and Consolidated Annual Financial Statements	30 June 2009	Accounting Officer	Section 122 of the MFMA
3. Training on Accounting Framework – preparation of GRAP compliant AFS	July 2009	WCPT	Section 5(2)(c)(ii) of the MFMA
4. Low Capacity Municipalities may apply for deviation from exemption and consult with WCPT for approval.	Before 31 July 2009	Accounting Officer	Government Gazette 30013 Section 4 sub-clause(1)(b)
5. WCPT in consultation with NT issue approval letter to the low capacity municipality on the agreement of the basis of AFS presentation	Before 15 August 2009	National Treasury and WCPT	Government Gazette 30013 Section 4 sub-clause(1)(c)
6. Preparation of audit files for selected municipalities	August 2009	WCPT	Gentlemen's agreement
7. High level quality check of AFS preparation	July/August 2009	WCPT	Gentlemen's agreement
8. Municipalities to submit un-audited Annual Financial Statements to AGSA and the WCPT - Accounting	31 August 2009	Accounting Officer	Section 126(1)(a) of the MFMA
9. Submit un-audited Annual Financial Statements of Municipal entity to parent municipality, AGSA and WCPT - Accounting	31 August 2009	Accounting Officer, Municipal Entity &	Section 126(2)(a)(b) of the MFMA
0. Submit un-audited consolidated Annual Financial Statements (ACFS) to the Auditor-General and WCPT - Accounting	30 September 2009	Accounting Officer	Section 126(1)(b) of the MFMA
1. Submit names of Municipalities and Municipal entities which failed to submit AFS to AGSA	31 October 2009	AGSA	Section 133(2)(a)(b) of the MFMA
2. AGSA audits the Annual Financial Statements and submits financial statements and audit report to Municipal Accounting Officer, National Treasury, MEC for Local Government and WCPT – Accounting.	30 November 2009	AGSA	Section 127(4)(a) of the MFMA
3. Submit report-outlining reasons for delay to complete audit	Promptly	AGSA	Section 126(4) of the MFMA

ACTIVITY	DATE	RESPONSIBILITY	LEGISLATIVE REF.
within timeframe to: Municipality, Municipal entity, WCPT – Accounting and Parliament			
4. Submit an audit report on consolidated financial statements to municipalities	31 December 2009	AGSA	
5. Municipality must address any issues raised by the Auditor- General and prepared action plans to address issues and include these in annual report	On receipt of audit report	Mayor	Section 131(1) of the MFMA
6. Assessment of Annual Financial Statement, Audit Report and any responses of municipality to such audit issues to determine if they are adequately addressed	Promptly	MEC of Local Government and WCPT	Section 131(2)(a) of the MFMA
7. Municipal Entity to submit Annual Report to Accounting Officer	Immediately after tabling	Accounting Officer	Section 127(1) of the MFMA
8. Tabling of annual report by Mayor in the Municipal Council	31 January 2010	Accounting Officer	Section 127(2) of the MFMA
9. Report to Provincial Legislature of any omissions by the municipality to adequately address the issues in the financial statements and audit report	31 January 2010	MEC of Local Government and WCPT	Section 131(2)(b) of the MFMA
0. Written explanation setting out reasons for the failure to submit AFS of the municipality and municipal entity to AGSA for audit must be tabled in the Council	Promptly	Mayor	Section 133(1)(a) of the MFMA
1. Submit to council a written explanation (referred to in section 133(1)(a)) setting out the reasons why the Annual report could not be tabled in council	Non compliance to tabling on 31 January 2010	Mayor	Section 127(3)(a) of the MFMA
2. Make annual report public and invite comment	Immediately after tabling	Accounting Officer	Section 127(5)(a)(i) & (ii) of the MFMA
3. Submit annual report to relevant Provincial Treasury, Auditor-General and the	07 February 2010	Accounting Officer	Section 127(5)(b) of the MFMA

ACTIVITY	DATE	RESPONSIBILITY	LEGISLATIVE REF.
Department for Local Government in the province			
4. Submit copies of the minutes of council and/or council committee meetings at which the annual report is discussed.	31 March 2010	Accounting Officer	Section 129(2)(b) of the MFMA
5. Make an oversight report public (e.g. notices, websites, etc) within 7 days after its adoption - inviting comments from the public.	Within 7 days after adopting the oversight report	Accounting Officer	Section 129(3) of the MFMA
6. Submit annual report /or components of annual report that were tabled in terms of section 127(3) and oversight report to Provincial Legislature	Within 7 days after adopting the oversight report	Accounting Officer	Section 132(1)(a) of the MFMA