

**PROVINSIALE TESOURIE • PROVINCIAL TREASURY •
UNONDYEBE WEPHONDO**

Verwysing
Reference
Isalathiso

T7/2/7

Navrae
Enquiries
Imibuzo

N Manyathi
X6803



TREASURY CIRCULAR MUN 14-2009

- ✓ 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
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- THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR D DANIELS (Acting)
- THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
- THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT: MR M MGAJO
- 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
- THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR KR DE LANGE
- THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS
- THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: DR C DU PLESSIS (Acting)
- THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR CM AFRICA
- THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MRS MRT GUTAS
- THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR L NGOQO
- 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
 THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT: MR J KOEKEMOER
 THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR LJ BRUWER
 THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR F LOTTER
 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
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 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, THEEWATERSKLOOF MUNICIPALITY: MR S JACOBS
 THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MR H KLEINLOOG
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 THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR G EASTON
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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)
 THE CHIEF AUDIT EXECUTIVE (MS H ROBSON)
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUIS)
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 THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR H DU TOIT) (ACTING)
 THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS N OLIPHANT)
 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)
 THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MR PP PIENAAR) (ACTING)
 THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MR L HARTLE) (ACTING)
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)
 THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR G PAULSE)
 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: IMMOVEABLE 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

GENERALLY RECOGNISED ACCOUNTING PRACTICE (GRAP) GUIDELINE CD

1. Purpose

- 1.1. To distribute to municipalities an updated GRAP guideline CD as developed by National Treasury.

2. Background

- 2.1. Section 122 of the MFMA requires that every Municipality and every Municipal Entity prepare Annual Financial Statements in accordance with GRAP.
- 2.2. In order to assist municipalities in this regard, National Treasury developed the aforementioned GRAP guideline CD.

3. Objective

- 3.1. The objective of this CD is to provide Budget and Treasury staff of municipalities with a reference guide on the accounting treatment which has been adopted as GRAP standards by the Accounting Standards Board (ASB) for financial years beginning on or after 1 April 2009.
- 3.2. The contents should be read in conjunction with the relevant standards of GRAP and may not be distributed to any party for any other purpose without the written permission of the OAG.

4. Contents of the CD

The CD contains the following information as indicated below:

Number	GRAP Standard	Purpose
GRAP 9	Revenue	To provide guidance on the accounting treatment of Revenue in terms of GRAP standards.
GRAP 11	Construction Contracts	To provide guidance on the accounting treatment of Construction Contracts in terms of GRAP standards.
GRAP 12	Inventory	To provide guidance on the accounting treatment of Inventory in terms of GRAP standards.
GRAP 13	Leases	To provide guidance on the accounting treatment of Leases in terms of GRAP standards.
GRAP 16	Investment Property	To provide guidance on the accounting treatment of Property Investment in terms of GRAP standards.
GRAP 17	Property, Plant And Equipment	To provide guidance on the accounting treatment of Property, Plant and Equipment in terms of GRAP standards.
GRAP 19	Provisions	To provide guidance on the accounting treatment of Provisions in terms of GRAP standards.
GRAP 100	Non-Current Assets Held for Sale	To provide guidance on the accounting treatment of Non-Current Assets Held for Sale in terms of GRAP standards.
GRAP 101	Agriculture	To provide guidance on the accounting treatment of Agriculture in terms of GRAP standards.
GRAP 102	Intangible Assets	To provide guidance on the accounting treatment of Intangible Assets in terms of GRAP standards.

5. Overall Guidance of the CD

Outline of Accounting Guideline on each GRAP Standard consist of:

- 5.1. Introduction
- 5.2. Summary of key principles.
- 5.3. Scope:
 - Inclusions
 - Exclusions
- 5.4. Guidance
 - Definition
 - Recognition
 - Measurement
- 5.5. Controls/Recommended procedures
- 5.6. Transitional provision
- 5.7. Self-Assessment
- 5.8. Annexure of additional examples
- 5.9. Annexure of frequently asked questions

6. CD distribution method

The actual CD will be posted to the municipalities

7. Enquiries

Any further enquiries in this regard may be directed to:

- **Ms Micheline Fortuin:** Mifortui@pgwc.gov.za - West Coast, Overberg & Central Karoo Districts.
- **Mr Thobelani Madondile:** Tmadondi@pgwc.gov.za - Cape Winelands & Eden Districts and Metro.



PP

N. OLIPHANT

SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING

DATE: 29 JUNE 2009