

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



Verwysing  
Reference  
Isalathiso

T 12/2/2

Navrae  
Enquiries  
Imibuzo

G Paulse

**TREASURY CIRCULAR MUN: 05 OF 2009**

THE MAYOR, CITY OF CAPE TOWN: MS H ZILLE  
THE MAYOR, WEST COAST DISTRICT: MRS H KITSHOFF  
THE MAYOR, MATZIKAMA MUNICIPALITY: MR P BOK  
THE MAYOR, CEDERBERG MUNICIPALITY: MS S NEWMAN  
THE MAYOR, BERGRIVIER MUNICIPALITY: MR S CLAASSEN  
THE MAYOR, SALDANHA BAY MUNICIPALITY: MRS J STOFFELS  
THE MAYOR, SWARTLAND MUNICIPALITY: MR AW BREDELL  
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, SWELLENBAM MUNICIPALITY: MR J JANSEN  
THE MAYOR, EDEN DISTRICT: MR AC LAWS  
THE MAYOR, KANNALAND MUNICIPALITY: MR J DONSON  
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 DANIÉLS (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 (Acting)  
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR S KABANYANE  
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MR I KENNED  
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 HSD WALLACE  
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: ADV W ZYBRANDT  
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR R STEPHENS  
THE MUNICIPAL MANAGER, SWELLENBAM MUNICIPALITY: MR WF HENDRICKS  
THE MUNICIPAL MANAGER, EDEN DISTRICT: MR G LOUW  
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR K 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: REV NM PETERSON  
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 (Acting)  
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 LÖTTER  
 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  
 THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT: VACANT  
 THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR S JACOBS  
 THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MR H KLEINLOOG  
 THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H SCHLEBUSH  
 THE CHIEF FINANCIAL OFFICER, SWELLENDEAM MUNICIPALITY: MR NB DELO  
 THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT: MR J STANDER (Acting)  
 THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR B LALOR  
 THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN  
 THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR HF BOTHA  
 THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR LH FOURIE  
 THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR T MATTHYSEN (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  
 THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD  
 THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR GS BOTHMA  
 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 TC ARENDSE)  
 THE HEAD: ASSET MANAGEMENT (MR TD PILLAY)  
 THE CHIEF AUDIT EXECUTIVE (MS H ROBSON)  
 THE CHIEF FINANCIAL OFFICER (MR A GILDENHUIS)  
 THE SENIOR MANAGER: HUMAN RESOURCE MANAGEMENT (MS PG PIEDT)  
 THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR A REDDY)  
 THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS N OLIPHANT)  
 THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)  
 THE SENIOR MANAGER: INTERNAL AUDIT: G & A CLUSTER (MS B CAIRNCROSS)  
 THE SENIOR MANAGER: INTERNAL AUDIT: SOCIAL CLUSTER  
 THE SENIOR MANAGER: INTERNAL AUDIT: ECONOMIC CLUSTER (MR J RADEBE)  
 THE SENIOR MANAGER: ECONOMIC ANALYSIS  
 THE SENIOR MANAGER: BUDGET MANAGEMENT (MR PP PIENAAR) (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) (MS N VAN WYK) (ACTING)  
 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

## SKILLS NEEDS ANALYSIS IN A BUDGET AND TREASURY OFFICE (BTO)

## WITHIN MUNICIPALITIES IN THE WESTERN CAPE

### 1. Purpose

- 1.1 The purpose of this circular is to inform municipalities of the initiatives of National and Provincial Treasury to assess and address the skills gaps that currently exist in Budget and Treasury Offices (Chief Financial Officer's team) within municipalities.
- 1.2 Furthermore, this circular aim to inform municipalities of the upcoming activities as well as expectations related to this initiative.

### 2. Background

- 2.1 Section 34(1) of the Municipal Finance Management Act, No. 56 of 2003 [MFMA] in regulating co-operative government states as follows:

“ 34 (1) The national and provincial governments must by agreement assist municipalities in building capacity of municipalities for efficient, effective and transparent financial management”

- 2.2 Furthermore, the Technical Committee on Finance (TCF) recently identified 16 MFMA Priorities, amongst others and briefly stated, 4 (four) of these priorities relates to:
  - a. Grow graduate internship programme in all municipalities and appointment of skilled personnel.
  - b. Establishing a Budget and Treasury Office with appropriately skilled personnel and the finalisation of skills audits.
  - c. Report and complete skills assessment as required by the MFMA Competency regulations.
  - d. Attend structured and accredited training courses consistent with MFMA Competency regulations.
- 2.3 In order to meet these priorities, Provincial Treasury together with National Treasury has developed an action plan to systematically address the priorities identified.
- 2.4 This circular more so refers to point no. 2.2 (b) above.
- 2.5 An exercise, named “A needs analysis of a Budget and Treasury Office (BTO) in



local Government" will commence in February 2009 and conclude in March 2009. The objective of this exercise is to determine the capacity and the extent of financial management gaps within Local Government Financial Management Divisions or Budget and Treasury Offices as indicated in the MFMA.

- 2.6 The exercise involves the completion of a set of forms, one by the CFO and one by each official reporting to the CFO. The content of these forms will thereafter be captured onto a database that will assist in the analysis to be conducted. The aim is to advise, from the analysis of the data, alternate solutions to areas of concern, inclusive of training and development as well as the recognition of prior learning and experience. The outcomes will also inform the content of the curriculum of the learning programmes as prescribed by National Treasury.
- 2.7 All analysis and results herein needs to be submitted to National Treasury by **31 March 2009.**

### **3. Way Forward**

- 3.1 The planned activities around this initiative include the following:
- Pilot to be conducted in the Central Karoo District (4<sup>th</sup> February 2008) area in order to prepare Provincial Treasury officials to roll out the process throughout the Province;
  - Sharing of the experiences of the pilot municipalities with all municipalities;
  - Co-ordination and securing of dates with all municipalities for their needs analysis exercise to be conducted;
  - Analysis conducted and remedial recommendations made;
  - Discussions and feedback regarding the results of the analysis; and
  - Monitoring of the corrective or remedial recommendations made to municipalities.

### **4. Request**

- 4.1 The assistance and support of all CFO's (and all official reporting to the CFO) is requested in order to ensure an effective and efficient expedition herein.

4.2 In order to ensure the smooth running of this exercise the following is requested:

- The staff structure of the BTO (electronic version), inclusive of an indication of vacancies, to be forwarded to Provincial Treasury by no later than **18<sup>th</sup> February 2009**.
  - Information to be forwarded to:  
[mfma@pgwc.gov.za](mailto:mfma@pgwc.gov.za)
- When dates are secured with municipalities to undertake the exercise, **all** officials reporting to the CFO (**inclusive of those in satellite offices**) need to be present in order to complete the requisite forms.
- Assistance in managing the process of having all officials completing the forms. No faxed copies of forms will be accepted, hence official need to be present to complete and submit the forms.
- Assisting Provincial Treasury in meeting the deadlines as set by National Treasury.

## 5. Conclusion

- 5.1 The **objective** of the exercise is to determine the capacity and the extent of financial management skills of staff within the Local Government Financial Management Divisions or the Budget & Treasury Offices as indicated in the MFMA.
- 5.2 The **outcome** of the exercise is to understand the areas of concern and the extent thereof from the perspective of the staff in the finance office (BTO). The aim is further, to determine from the analysis, solutions to areas of concern, inclusive of training and development and the recognition of prior learning and experience.
- 5.3 Lastly, municipalities will be advised on appropriate, priority corrective measures based on the outcome of the analysis conducted.
- 5.4 Any queries relating to the content of this circular can be addressed with:

Mr GW Paulse  
Tel. 021 483 6126

Fax 021 483 4411

Email: [mfma@pgwc.gov.za](mailto:mfma@pgwc.gov.za)

Your co-operation in this regard will be appreciated.

**GW PAULSE  
SENIOR MANAGER: LOCAL GOVERNMENT FINANCE**

**DATE: 06 FEBRUARY 2009**