



# PROVINCIAL TREASURY

Provincial Government of the Western Cape

## MOVEABLE ASSET MANAGEMENT

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**REFERENCE:** T16/20/2  
**ENQUIRIES:** X. Oliphant

### TREASURY CIRCULAR MUN 20-2011

THE MAYOR, CITY OF CAPE TOWN  
THE MAYOR, WEST COAST DISTRICT  
THE MAYOR, MATZIKAMA MUNICIPALITY  
THE MAYOR, CEDERBERG MUNICIPALITY  
THE MAYOR, BERGRIVIER MUNICIPALITY  
THE MAYOR, SALDANHA BAY MUNICIPALITY  
THE MAYOR, SWARTLAND MUNICIPALITY  
THE MAYOR, CAPE WINELANDS DISTRICT  
THE MAYOR, WITZENBERG MUNICIPALITY  
THE MAYOR, DRAKENSTEIN MUNICIPALITY  
THE MAYOR, STELLENBOSCH MUNICIPALITY  
THE MAYOR, BREEDE VALLEY MUNICIPALITY  
THE MAYOR, BREEDE RIVER/WINELANDS MUNICIPALITY  
THE MAYOR, OVERBERG DISTRICT  
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY  
THE MAYOR, OVERSTRAND MUNICIPALITY  
THE MAYOR, CAPE AGULHAS MUNICIPALITY  
THE MAYOR, SWELLENDAM MUNICIPALITY  
THE MAYOR, EDEN DISTRICT  
THE MAYOR, KANNALAND MUNICIPALITY  
THE MAYOR, HESSEQUA MUNICIPALITY  
THE MAYOR, MOSSEL BAY MUNICIPALITY  
THE MAYOR, GEORGE MUNICIPALITY  
THE MAYOR, OUDTSHOORN MUNICIPALITY  
THE MAYOR, BITOU MUNICIPALITY  
THE MAYOR, KNYSNA MUNICIPALITY  
THE MAYOR, CENTRAL KAROO DISTRICT  
THE MAYOR, LAINGSBURG MUNICIPALITY  
THE MAYOR, PRINCE ALBERT MUNICIPALITY  
THE MAYOR, BEAUFORT WEST MUNICIPALITY

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM  
THE MUNICIPAL MANAGER, WEST COAST DISTRICT: MR H PRINS  
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 J FORTUIN  
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 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 D VAN DER HEEVER  
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 M STEENKAMP (Acting)  
THE MUNICIPAL MANAGER, EDEN DISTRICT: MR M HOOGBAARD (Acting)  
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR KR DE LANGE  
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THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: DR M GRATZ  
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THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR W RABBETS (Acting)  
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR L NGOGO  
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR J DOUGLAS  
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THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MS J FORTUIN  
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, 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, OVERSTRAND MUNICIPALITY: MR H KLEINLOOG  
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 THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR A BREDEHANN (Acting)  
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 THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR D LOUW

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 THE HEAD OF SCM, SALDANHA BAY MUNICIPALITY: MS H MEEDING  
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 THE HEAD OF SCM, WITZENBERG MUNICIPALITY: MR H VERGOTINE  
 THE HEAD OF SCM, DRAKENSTEIN MUNICIPALITY: MR D JACOBS  
 THE HEAD OF SCM, STELLENBOSCH MUNICIPALITY: MR E LEWIS  
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 THE HEAD OF SCM, LANGEBERG : MR C HOFFMANN  
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 THE HEAD OF SCM, CENTRAL KAROO DISTRICT: MS L STRUMPHER (Acting)  
 THE HEAD OF SCM, LAINGSBURG MUNICIPALITY: MS LA GOUWS  
 THE HEAD OF SCM, BEAUFORT WEST MUNICIPALITY: MS SA POTHBERG

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)  
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 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 N VAN NIEKERK) (ACTING)  
 THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS M FORTUIN) (ACTING)  
 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 (MS M SHERATON)  
 THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MR ML BOOYSEN)  
 THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)  
 THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR E JOHANNES) (ACTING)  
 THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGAB)  
 THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS C HORTON)

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 A SMIT)

THE PROVINCIAL AUDITOR  
MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT  
THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT AND HOUSING

## **REPORTING IN RESPECT OF CONTRACTS ABOVE R100 000 AND THE DISPOSAL OF IMMOVEABLE PROPERTY FOR THE 2011/12 FINANCIAL PERIOD**

### **1. PURPOSE**

- 1.1 To inform all Municipalities of the scheduled due dates for the reporting of Supply Chain Management information; namely, contracts awarded above R100 000 and the disposal & letting of immoveable property.
- 1.2 To request Municipalities to submit the details of all officials responsible for the reporting of awards above R100 000 and property management to the Provincial Treasury.
- 1.3 To re-iterate the National and Provincial Treasury reporting requirements in respect of contracts above R100 000.
- 1.4 To re-iterate the requirements of Treasury Circular 23 of 2010: reporting framework for the disposal of immoveable property.

### **2. PROCUREMENT INFORMATION-CONTRACTS ABOVE R100 000**

#### **2.1 Background**

- 2.1.1 Section 71 (1) and 104 (1) of the Municipal Finance Management Act (hereafter referred to as MFMA) 56 of 2003, prescribes the following regarding general reporting obligations: "The Accounting Officer of a Municipality [and Municipal entity] must submit to the National Treasury, the Provincial Treasury, the Department for Local Government in the province or the Auditor-General such information, returns, documents, explanation and motivations as may be prescribed or as may be required."
- 2.1.2 The Provincial Treasury is required to, amongst others, report to the MEC for Finance on measured policy outcomes, in respect of preferential procurement.
- 2.1.3 To give effect to the above, the National Treasury issued MFMA Circular No.34 with

effect from 01 July 2006, which requires Accounting Officers of Municipalities to report information on award of contracts above R100 000.

- 2.1.4 The aim of the above mentioned, is to monitor compliance within Supply Chain Management reforms and to provide statistics on contracts awarded by Local Government.
- 2.1.5 The National Treasury has introduced and rolled-out an internet based electronic database system known as, the Procurement Contract Information System (PCI), to allow all Municipalities to capture all procurement awarded for a specific period.
- 2.1.6 The Provincial Treasury arranged and facilitated training to capacitate all Municipal officials in respect of capturing contracts (above R100 000), on the National Treasury's Procurement Contract Information (PCI) system, which was conducted by the National Treasury during the 2010/11 financial period.
- 2.1.7 Prior to the training the Municipalities were required by National Treasury Circular 34 of 2006 to submit the required information on a reporting questionnaire, to the National and Provincial Treasury.

## **2.2 Reporting**

- 2.2.1 Municipalities are compelled to capture all contract information for procurement above R100 000 for the specified period on the PCI system before the due dates allocated.
- 2.2.2 The PCI system does not make provision for cases where no contracts were awarded for a specific month by a Municipality. It is therefore imperative that in such cases the Municipality submits a nil return to the Provincial Treasury.
- 2.2.3 Notwithstanding the above, Municipalities are required to continue submitting the reporting questionnaires to the Provincial Treasury, which would enable the Provincial Treasury to verify whether or not the contracts have been captured on the system correctly.
- 2.2.4 The National Treasury has compiled a reporting format, in a form of a questionnaire, to be completed by all Municipalities for each contract awarded above the value of R100 000 (VAT included), see ANNEXURE A.
- 2.2.5 Municipalities are required to submit a separate report for each contract awarded (and signed) above R100 000, and submitted within 15 days of the end of each

month. Therefore, the first completed report(s) will therefore cover awards for the period 1 June to 30 June 2011 and should be submitted by no later than **15 July 2011**.

- 2.2.6 To assist with the administration of this reporting process it is requested that a report be submitted at the time each contract is awarded and signed, rather than accumulating the reporting for the end of the month, resulting in delays and incomplete reporting.

## **2.4 Responsible Officials**

Any queries regarding the completion of the questionnaire should be directed to:

### **Provincial Treasury:**

1. Xolani Oliphant

Tel: 021 483 4736

Fax: 021 483 4671

E-mail: [Xolani.Oliphant@pgwc.gov.za](mailto:Xolani.Oliphant@pgwc.gov.za)

Any queries regarding the National Treasury's PCI system should be directed to:

### **National Treasury:**

1. George Jacobson

Tel: 012 315 5233

or

2. Jerry Maluleke

Tel: 012 395 6537

### **3. DISPOSAL OF IMMOVEABLE PROPERTY**

#### **3.1 Background**

3.1.1 The Provincial Treasury is mandated in terms of Section 5(3) and Section 5(4) of the MFMA to assist, guide and monitor the implementation and compliance with the MFMA by Municipalities.

3.2.2 Provincial Treasury Circular 23 of 2010 has been circulated to Municipalities requesting all Municipalities to submit quarterly reports on the disposal of immoveable property on the specified due dates for each quarter.

#### **3.2 Reporting**

3.2.1 All Municipalities are required to submit four (4) quarterly reports in terms of reporting of disposal and letting of immoveable property for a specific financial year.

3.2.2 All reports submitted to the Provincial Treasury must be signed by the Municipal Manager or the Chief Financial Officer (CFO) or the delegated official of the Municipality certifying that the information provided is correct to its entirety.

#### **3.3 Due dates**

Quarterly reports are to be submitted on the following dates for the specific year:

<b>Quarter 1:</b> 01 April – 30 June	<b>Due date 15 July</b>
<b>Quarter 2:</b> 01 July – 30 September	<b>Due date 15 October</b>
<b>Quarter 3:</b> 01 October – 31 December	<b>Due date 15 January</b>
<b>Quarter 4:</b> 01 January – 31 March	<b>Due date 15 April</b>

***If the due date falls on a weekend or public holiday, the reports should be submitted the day before.***

#### **3.4 Responsible official**

Xolani Oliphant

Tel: 021 483 4736

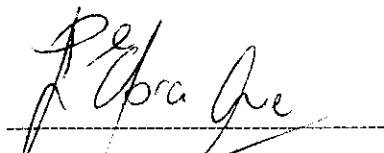
Fax: 021 483 4671

E-mail: [Xolani.Oliphant@pgwc.gov.za](mailto:Xolani.Oliphant@pgwc.gov.za)

#### 4. REQUEST

- 4.1 The Provincial Treasury hereby requests that all Municipalities adhere to the scheduled due dates, in terms of reporting the Supply Chain Management information.
- 4.2 Municipalities are to capture all contracts (above R100 000) on the National Treasury's PCI system, as and when a contract has been awarded, taking into account the due date stipulated below.
- 4.3 Furthermore, the reports submitted to the Provincial Treasury must be completed fully and be submitted by no later than the **15<sup>th</sup> of the month, subsequent to the month that the Municipality is reporting on** (as illustrated in paragraph 2.2.5).
- 4.4 Municipalities are to submit a nil return to the Provincial Treasury in cases where no contracts (above R100 000) have been awarded for a specific month. Where Municipalities have not disposed of immoveable property a nil return must also be submitted.
- 4.5 It is further requested that the quarterly reports in respect of the disposal of immoveable property be signed by either the Municipal Manager or the Chief Financial Officer (CFO) or the delegated official and be reported to the Provincial Treasury by no later than the abovementioned dates (as mentioned in paragraph 3.3).
- 4.6 Municipalities are requested to comply with the contents of this circular.

Your co-operation will be appreciated.



**MS. NADIA EBRAHIM**  
**HEAD: ASSET MANAGEMENT (ACTING)**  
**PROVINCIAL TREASURY**  
**DATE: 24/06/2011**