



PROVINCIAL TREASURY

Provincial Government of the Western Cape

LOCAL GOVERNMENT ACCOUNTING

Micheline.Fortuin@pgwc.gov.za
Tel: +27 21 483 8665 Fax: +27 21 483 7235
4 Dorp Street, Cape Town, 8001
www.capegateway.gov.za

REFERENCE: T7/2/7
ENQUIRIES: M Fortuin

TREASURY CIRCULAR MUN NO 24/2011

THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS
THE MAYOR, MATZIKAMA MUNICIPALITY: MS D GOEDEMAN
THE MAYOR, CEDERBERG MUNICIPALITY: MR B ZASS
THE MAYOR, SALDANHA BAY MUNICIPALITY: MS R JAGER
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: MR N DE BRUYN
THE MAYOR, WITZENBERG MUNICIPALITY: MR S LOUW
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MR BD KIVEDO
THE MAYOR, LANGEBERG MUNICIPALITY: MS D GAGIANO
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR L DE BRUYN
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR R MITCHELL
THE MAYOR, SWELLENDAM MUNICIPALITY: COUNCILLOR N MYBURGH
THE MAYOR, EDEN DISTRICT MUNICIPALITY: MR L DORFLING
THE MAYOR, GEORGE MUNICIPALITY: MR C STANDERS
THE MAYOR, KNYSNA MUNICIPALITY: MS J WOLMARANS
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR E NJADU
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR HD PRINCE

THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR H PRINS
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR DG O'NEILL
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATTHYSE
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR J FORTUIN
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR M MGAJO
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR A PAULSE
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR R BUTLER
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR R STEPHENS
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MR M STEENKAMP (Acting)
THE MUNICIPAL MANAGER, EDEN DISTRICT MUNICIPALITY: MR M HOOGBAARD
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR DG RAS (Acting)
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE (Acting)
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: MR J KOEKEMOER
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR K BRUWER
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR F LÖTTER
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR J VAN COLLER (Acting)
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR JG MARAIS
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR R ESAU
THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR CF HOFFMANN
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR J SNYMAN
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H SCHLEBUSCH
THE CHIEF FINANCIAL OFFICER, SWELLENDAM MUNICIPALITY: MR J KRAPOHL
THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT MUNICIPALITY: MR N DELO
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR M CUPIDO (Acting)
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR CJ KYMDELL
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)
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 (MS N EBRAHIM) (ACTING)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)
THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR A REDDY)
THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MS L NGXONONO)
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)
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 F SABBAT)
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)
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 FINANCE MINISTRY (MS A SMIT)
THE PROVINCIAL AUDITOR
MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT
THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

DISESTABLISHMENT OF THE DISTRICT MANAGEMENT AREAS (DMA) AND THE INCORPORATION THEREOF IN THE SUPERSEDING MUNICIPALITIES

1. Purpose

- 1.1. To recommend to municipalities to draft formal agreements in respect of the establishment notices (Annexure A) listed below which were issued by the Western Cape Minister of Local Government on 25 February 2011:
 - the West Coast District Municipality Sixth Establishment Amendment Notice;
 - the Cape Winelands District Municipality Seventh Establishment Amendment Notice;
 - the Overberg District Municipality Fifth Establishment Amendment Notice;
 - the Eden District Municipality Sixth Establishment Amendment Notice; and
 - the Central Karoo District Municipality Fourth Establishment Amendment Notice.
- 1.2. To inform municipalities that the Local Government Accounting unit are in agreement with the contents of the attached written legal opinion (Annexure B); and
- 1.3. To recommend that the date of transfer be agreed upon as being 1 July 2011, to avoid complex financial accounting implications.

3.3 Should municipalities transfer on 1 July 2011, the superseding municipality only needs to recognise and measure the assets, liabilities, expenditure and income for the 2011/12 AFS. In the 2010/11 AFS, the relevant municipalities will only have to include a note of disclosure, according to the applicable GRAP standards.

4 Recommendation

4.1 It is hereby recommended that the affected parties reach the necessary agreement and that the date of transfer be set to be 1 July 2011.

5. Enquiries

Any further enquiries in this regard may be directed to:

- o Ms. Micheline Fortuin: Micheline.Fortuin@pgwc.gov.za - West Coast, Overberg & Central Karoo Districts.

- o Mr. Thobelani Madondile: Thobelani.Madondile@pgwc.gov.za - Cape Winelands & Eden Districts and Metro.



MS. LUSANDA NGXONONO
SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING
DATE: 2011/08/08