



Reference: T12/2/1

TREASURY CIRCULAR MUN NO 41 OF 2012

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS
THE MAYOR, MATZIKAMA MUNICIPALITY: MR J BOCK
THE MAYOR, CEDERBERG MUNICIPALITY: MR J WHITE
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR FJ SCHIPPERS
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: MR N DE BRUYN
THE MAYOR, WITZENBERG MUNICIPALITY: MR S LOUW
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS G VAN DEVENTER
THE MAYOR, STELLENBOSCH MUNICIPALITY: MR CJ SIDEGO
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, THEEWATERSKLOOF MUNICIPALITY: MR CB PUNT
THE MAYOR, OVERSTRAND MUNICIPALITY: MS N BOTHA-GUTHRIE
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR R MITCHELL
THE MAYOR, SWELLENBAM MUNICIPALITY: COUNCILLOR N MYBURGH
THE MAYOR, EDEN DISTRICT MUNICIPALITY: MR V VAN DER WESTHUISEN
THE MAYOR, KANNALAND MUNICIPALITY: MR J DONSON
THE MAYOR, HESSEQUA MUNICIPALITY: MS E NEL
THE MAYOR, MOSSEL BAY MUNICIPALITY: MS M FERREIRA
THE MAYOR, GEORGE MUNICIPALITY: MR C STANDERS
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR G APRIL
THE MAYOR, BITOU MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KNYSNA MUNICIPALITY: MS J WOLMARANS
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR E NJADU
THE MAYOR, LAINGSBURG MUNICIPALITY: MR W THERON
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR HD PRINCE

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM
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 I KENNED
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: MS C LIEBENBERG
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR LA SCHEEPERS
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR M MGAJO
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: MR J METTLER
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MR D BERETTI (Acting)
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR G MATTHYSE
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR MP DU PLESSIS
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR HD WALLACE
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR R STEVENS
THE MUNICIPAL MANAGER, SWELLENBAM MUNICIPALITY: MR N NEL (Acting)
THE MUNICIPAL MANAGER, EDEN DISTRICT MUNICIPALITY: MR GW LOUW
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR M HOOGBAARD
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: DR M GRATZ
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR T MNYIMBA

THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR A PAULSE (Acting)
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MS L WARING
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR N NORTJE (Acting)
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR P WILLIAMS
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR H METTLER
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: MR J KOEKEMOER
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MS U BAARTMAN
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR E ALFRED
THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR JA VAN NIEKERK
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR K COOPER
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR JG MARAIS
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR R ESAU
THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR J CARSTENS
THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR M BOLTON
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 JJ BURGER (Acting)
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR F VAN DER WESTHUIZEN (Acting)
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MR H KLEINLOOG
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H SCHLEBUSCH
THE CHIEF FINANCIAL OFFICER, SWELLENDEAM MUNICIPALITY: MR J KRAPOHL
THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT MUNICIPALITY: MS L HOEK (Acting)
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR N DELO
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 K JORDAAN
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR D LOTT
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR A BREDENHANN (Acting)
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR G EASTON
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR N NORTJE (Acting)
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD
THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J NEETHLING
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 (VACANT)
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
THE HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
THE HEAD: LOCAL GOVERNMENT PUBLIC FINANCE (MR TC ARENDSE)
THE HEAD: ASSET MANAGEMENT (MR IG SMITH)
THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUIS)
THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS T EVANS)
THE SENIOR MANAGER: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
THE SENIOR MANAGER: FINANCIAL GOVERNANCE (MR B VINK)
THE SENIOR MANAGER: FISCAL POLICY (MS C HORTON)
THE SENIOR MANAGER: INFRASTRUCTURE (MR R DANIELS) (ACTING)
THE SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING (MR T MADONDILE) (ACTING)
THE SENIOR MANAGER: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR F SABBAT)
THE SENIOR MANAGER: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
THE SENIOR MANAGER: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (VACANT)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS M SHERATON-KORSTEN)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
THE SENIOR MANAGER: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)

THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

NATIONAL TREASURY: STANDARD CHART OF ACCOUNT (SCOA) Version 3 ROADSHOW: 11 SEPTEMBER 2012

1. Purpose

- 1.1 The purpose of this circular is to formally inform municipalities that National Treasury together with Provincial Treasury will be hosting a workshop on the release of version 3 of a Standard Chart of Accounts (SCOA) for Local Government for all municipalities on 11 September 2012.

2. Background

- 2.1 In terms of Section 216 of the Constitution, the National Treasury amongst others, must prescribe measures to ensure both transparency and expenditure control in each sphere of government through the introduction of generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards.
- 2.2 Despite efforts around the Municipal Budget and Reporting Regulations which addressed challenges previously experienced in respect of municipal budgets which did not contain narrative information and the lack of uniform classifications for revenue and expenditure items, substantial organisational structural changes in municipalities make it difficult to compare performance over time.
- 2.3 In addition the misalignment between budgeted and reporting of results also compromised the monitoring and oversight roles of Parliament, Legislatures, the Department of Provincial and Local Government, National and Provincial Treasuries.
- 2.4 National and Provincial Treasuries have the responsibility to compile consolidated local government information for national and provincial policies as well as other purposes. The development and specification of a national standard of information would thus assist in national and provincial reporting, benchmarking and understanding municipalities contribution in the local government environment.

2.5 To date, the development of the SCOA for local government involved a range of consultation processes with Provincial Treasuries, National Departments, Professional and Oversight bodies, Regulators eg. NERSA and pilot municipalities eg. Knysna and City of Cape Town in the Province.

2.6 Version 3 of SCOA was completed towards the end of July 2012 and will be used for broad consultation with external stakeholders through information sessions and workshops prior to the publication and implementation of the SCOA.

3. Workshop details

3.1 The planned workshop will address the following topics regarding the SCOA project:

- **Firstly**, the broad objectives of the reform which deals with the standard classification framework for local government, an overview of the project to date and the road ahead to regulating the SCOA.
- **Secondly**, it will deal with design principles relating to revenue, expenditure, assets, Liabilities and net assets items. It will furthermore also address the function, project and regional indicator segment relating to standard chart of accounts.

3.2 In preparation to the workshop, each municipality has been furnished with a delegate hand-out file containing the SCOA documentation (project summary document and excel print-outs of the detail for each segment). The presentation by National Treasury will be furnished to all delegates on the day of the workshop only, since inputs will be requested on the day in respect of the excel documents and related documentation.

3.3 A copy of the programme for the day is hereto attached for ease of reference.

4. Request

4.1 It is imperative that all Municipal CFO's attend the workshop, given the significance of the reform. Senior municipal officials and a municipal intern working in the municipal budget and treasury office and or that are involved in the preparation of the municipal budgets and annual financial statements are encouraged to attend the workshop.

4.2 The details to the SCOA workshop are as follows:

Date: 11 September 2012
Venue: LORD CHARLES HOTEL
SOMERSET WEST
Time: 08h30 – 15h00

4.3 To avoid disappointment kindly ensure you respond via email or fax to the numbers listed below on or before Tuesday, 4 September 2012 .

Fax no: (021) 483-7356 or (021) 483-4411

E-mail: MFMA@pgwc.gov.za

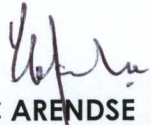
4.4 For any queries regarding the above please contact the relevant official:

- Elton Johannes
Tel No: (021) 483-4229
E-mail: Elton.Johannes@westerncape.gov.za

5. Conclusion

- 5.1 The primary objective of the SCOA project is to improve the quality of data collected from municipalities and municipal entities which will be achieved through a classification framework specific for Local Government.
- 5.2 The sessions will be practical in nature and municipal officials attending are guaranteed to leave with valuable information. In this regard, we plan to provide enough time for questions and discussion.
- 5.3 All municipalities have been furnished with a hand-out file which will be discussed at the workshop. Municipal CFO's should please note that this an opportunity to contribute to the Budget Reform Process by ensuring that SCOA developed for Local Government is as comprehensive, complete and clear as possible prior to continuing with the system development and piloting phase of this critical project.

Your co-operation in this regard will be appreciated.



TC ARENDSE

CHIEF DIRECTOR: LOCAL GOVERNMENT FINANCE

DATE: 29 August 2012