

Reference number: RCS/C.5

Private Bag X9165  
CAPE TOWN  
8000

## TREASURY CIRCULAR MUN NO. 7/2021

THE MAYOR, CITY OF CAPE TOWN: MR D PLATO  
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR H CLEOPHAS  
THE MAYOR, MATZIKAMA MUNICIPALITY: MS M BAINS  
THE MAYOR, CEDERBERG MUNICIPALITY: MS S QUNTA  
THE MAYOR, BERGRIVIER MUNICIPALITY: MR R VAN ROOY  
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR M KOEN  
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN  
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT  
THE MAYOR, WITZENBERG MUNICIPALITY: MR B KLAASEN  
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR C POOLE  
THE MAYOR, STELLENBOSCH MUNICIPALITY: ADV G VAN DEVENTER  
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN  
THE MAYOR, LANGEBERG MUNICIPALITY: MR S VAN EEDEN  
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR A FRANKEN  
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MS C VOSLOO  
THE MAYOR, OVERSTRAND MUNICIPALITY: MR D COETZEE  
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR P SWART  
THE MAYOR, SWELLENDAM MUNICIPALITY: MR N MYBURGH  
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M BOOYSEN  
THE DEPUTY MAYOR, KANNALAND MUNICIPALITY: MR P ANTONIE (ACTING)  
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDLES  
THE DEPUTY MAYOR, MOSSEL BAY MUNICIPALITY: MR D KOTZE (ACTING)  
THE MAYOR, GEORGE MUNICIPALITY: MR L VAN WYK  
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR C MACPHERSON  
THE MAYOR, BITOU MUNICIPALITY: MR MP LOBESE  
THE MAYOR, KNYSNA MUNICIPALITY: MR E VAN ASWEGEN  
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR I WINDVOGEL  
THE MAYOR, LAINGSBURG MUNICIPALITY: MR LOUW  
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING  
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR N CONSTABLE

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR L MBANDAZAYO  
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR D JOUBERT  
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR I KENNED (ACTING)  
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR A TIITUS (ACTING)  
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE  
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR H METTLER  
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ  
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR H PRINS  
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON  
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR J LEIBRANDT  
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER  
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D MCTHOMAS  
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR A DE KLERK  
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI  
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR D LUBBE  
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR D O'NEILL  
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR E PHILLIPS  
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MR A GROENEWALD  
THE MUNICIPAL MANAGER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M STRATU  
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR R BUTLER (ACTING)  
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS  
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: ADV M GILIOME

THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: DR M GRATZ (ACTING)  
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR R SMIT (ACTING)  
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: ADV L NGOQO  
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR D ADONIS (ACTING)  
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR J JONKERS (ACTING)  
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR J BOOYSEN  
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MS A VORSTER  
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J PENXA (ACTING)

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY  
THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: DR JCP TESSELAAR  
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR E ALFRED  
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR M MEIMANI (ACTING)  
THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR F LÖTTER  
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER  
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON  
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS FA DU RAAN-GROENEWALD  
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR C KRITZINGER  
THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR B BROWN  
THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR K CAROLUS  
THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR R ONTONG  
THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR M SHUDE  
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR N KRUGER (ACTING)  
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW  
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDÉ  
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H VAN BILJON  
THE CHIEF FINANCIAL OFFICER, SWELLENDAM MUNICIPALITY: MS E WASSERMANN  
THE CHIEF FINANCIAL OFFICER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR JW DE JAGER  
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR P MGENI (ACTING)  
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN  
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR O FREDERICKS  
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR L WALLACE (ACTING)  
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR G DE JAGER  
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR M DYUSHU  
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR J CARSTENS (ACTING)  
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MS U BAARTMAN  
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 B JACOBS (ACTING)

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THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)  
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THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)  
THE CHIEF FINANCIAL OFFICER (MS A SMIT)  
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THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR C MAPEYI)  
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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)

## CASH FLOW AND BALANCE SHEET BUDGETING TRAINING: 13 TO 14 MAY 2021 (MS TEAMS)

### PURPOSE

1. This circular is to invite municipal officials to attend a MS Teams virtual training covering the Cash Flow and Balance Sheet Budgeting as per the mSCOA requirements. The training is aimed at improving the credibility of mSCOA reporting in municipalities within the Western Cape and also serves as a capacity building initiative for Municipalities.

### BACKGROUND

2. The National Treasury has incrementally introduced many pieces of legislation since the 2003, starting with the Municipal Financial Management Act. No 56 of 2003 (MFMA) which gives Provincial Treasury (PT) to monitor and support municipalities to comply with the MFMA thereby promoting sound and sustainable financial management.
3. To date a number of reforms, initiatives and various support were undertaken in ensuring that Municipalities have a sound and sustainable financial management practices in place as well as establishing norms and standards for credible uniform reporting.
4. Given the above, the Minister of Finance promulgated Government Gazette No. 37577, Municipal Regulations on Standard Chart of Accounts (mSCOA), on 22 April 2014, that seek to regulate the reporting requirements at a transactional level for all municipalities and municipal entities effectively from 01 July 2017.
5. Western Cape Provincial Treasury noted numerous challenges on the compliance with cash flow and balance sheet budgeting from the majority of the Municipalities in different degrees.
6. It has therefore become a necessity for WCPT to provide training for cash flow and balance sheet budgeting to municipal officials who are in the Budget and Treasury Office and directly involved with the completion, review and submission of budget documents and in-year reports.
7. Training will be rolled out over 2 days on **13-14 May 2021 via Ms Teams**. The training is free of charge and each Municipality is allowed to send one (1) to a maximum of two (2) delegates.
8. The training will be facilitated by an external expert in the field that were sourced by WCPT.

### KEY DELIVERABLES/OUTCOMES

9. The following are a summary of the training outcomes:
  - To ensure Municipalities implement balance sheet budgeting and movement accounting to ensure that the cash flow for the 2021/2022 MTREF is populated correctly.
  - To ensure that Municipalities cash flow linkages to the regulated schedules, the Local Government Database and the municipal financial systems are aligned for the 2021/22 MTREF.
  - Ensure that the changes to mSCOA chart version 6.5 are utilised when preparing the 2021/22 MTREF.
  - To improve the implementation of the mSCOA regulations with special reference to mSCOA circular 10 and 11.
  - Ensure deeper unpacking of the regulatory and technical principles of cash flow and balance sheet budgeting in Municipalities.

- Key concepts in understanding the mSCOA latest version chart with the latest changes from the previous version.
- Using the system to undertake balance sheet and cash flow budget transactions
- Summative assessment written by all delegates

## CONCLUSION

10. We advise that the content of this circular be brought to the attention of the officials within the Budget and Treasury Office of municipalities. It is envisaged that this initiative will assist municipalities towards the preparation and finalisation of the 2021/22 MTREF budget particularly the data strings challenges at a transactional level.

## CONFIRMATION/CORRESPONDENCE

11. Confirmation of attendance or apologies should reach Provincial Treasury by no later than **Friday, 7 May 2021**.

12. Please direct your communication to:

Attention : Ms Bulelwa Zweni

Email : [Bulelwa.Zweni@westerncape.gov.za](mailto:Bulelwa.Zweni@westerncape.gov.za)

### AND/OR

Attention : Mr S Jantjies

Email : [Stephan.Jantjies@westerncape.gov.za](mailto:Stephan.Jantjies@westerncape.gov.za)

Your co-operation in this regard will be appreciated.

**MR C MAPEYI**

**DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (GROUP 1)**

**DATE:** 4 May 2021