



Reference: T8/2/31

TREASURY CIRCULAR MUN NO 26/2013

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THE MAYOR, CEDERBERG MUNICIPALITY: MR P MIJENI
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL
THE MAYOR, SALDANHA BAY MUNICIPALITY: MS R JAGER
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
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THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS G VAN DEVENTER
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THE MAYOR, OUDTSHOORN MUNICIPALITY: MR G APRIL
THE MAYOR, BITOU MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KNYSNA MUNICIPALITY: MS J WOLMARANS
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THE MAYOR, LAINGSBURG MUNICIPALITY: MR W THERON
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR HT PRINCE

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THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MS L SWANEPOEL (ACTING)
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR F LÖTTER
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR G EASTON
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THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J NEETHLING
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR M BOOYSEN (ACTING)

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 Z HOOSAIN)
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)
THE HEAD: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
THE HEAD: LOCAL GOVERNMENT PUBLIC FINANCE (MR M SIGABI) (ACTING)
THE HEAD: ASSET MANAGEMENT (MR IG SMITH)
THE HEAD: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
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THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS T EVANS)
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THE SENIOR MANAGER: INFRASTRUCTURE (MR M WÜST)
THE SENIOR MANAGER: LOCAL GOVERNMENT ACCOUNTING (MS N OLIPHANT)
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)
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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)

MGRO 1 STRATEGIC ENGAGEMENTS – 2013/14

1. PURPOSE

The purpose of this circular is to reiterate the objective of the Western Cape Government to improve the level of municipal governance and audit outcomes and to provide information regarding the MGRO 1 “strategic engagements” that will take place in September 2013. The Western Cape Government is cognisant of the fact that this goal can only be achieved through collaborative efforts by Provincial Treasury, Department of Local Government and Municipalities.

2. BACKGROUND

The Constitution in section 155(6) requires provincial government to provide for the monitoring and support of municipalities. The Municipal Financial Management Act, No 56 of 2003 (MFMA) mandates Provincial Treasury (PT), in terms of section 5, to monitor and support municipalities to comply with the MFMA thereby promoting sound and sustainable financial management.

The MGRO process aims to improve and promote clean governance within municipalities as well as actively assisting municipalities in further raising the level of their governance and resultantly, audit outcomes. This process supports the Provincial Strategic Objective 12 - “Being the best run regional government within the world” and the national initiative Operation Clean Audit – realising clean audit outcomes by 2014.

The MGRO process was initiated in September 2012 with the trilateral engagements on a district level between the Executive Management of Municipalities, PT and DLG inclusive of the MEC for Finance, Economic Development and Tourism. The following key principles were established in the aforementioned engagements:

- Commitment by all parties to the MGRO objective.
- Collaborative approach/partnership between parties is essential to achieve the MGRO objective.
- The Municipal Governance Action Plans (MGAP) will be determined by a municipal self-assessment against criteria provided by PT and DLG.
- PT and DLG to provide support to municipalities to assist in addressing gaps identified.
- PT, DLG and Municipalities to monitor and evaluate the implementation of the MGAP.

Further engagements were held in February 2013 with each municipality to assess their key challenges in the 2011/12 audit outcomes and their audit readiness for the upcoming external audit. Following this, further engagements have taken place to support municipalities' in their endeavour to improve audit outcomes and governance.

3. 2013/14 MGRO 1 "STRATEGIC ENGAGEMENT"

It is envisaged that the MGRO 1 strategic engagement be an annual engagement whereby Municipal, PT and DLG executive management collaborate on the strategic focus of the MGRO process within municipalities of the Western Cape to ensure that the MGRO objective is achieved.

The following key principles will be followed in terms of the engagements:

- Engagements will be held on a district level from the 3 – 12 September 2013.
- A municipal manager will chair the district engagements.
- PT will perform the secretariat function.
- Attendees: Municipal Managers, Chief Financial Officers, Head of Human Resource, Head of Internal Audit and or Head of Risk Management, the Head of Provincial Treasury, Deputy Director Generals, relevant Chief Directors as well as the delegation from Department of Local Government and the MEC for Finance, Economic Development and Tourism.
- Municipalities will perform self-assessments against the criteria provided by PT and DLG to review existing MGAPs.
- The revised MGAPs will form the basis of discussion per municipality.
- The presentations of Municipal Managers need to address the following:
 - Where were we?
 - What has changed?
 - What have we learnt (PT, DLG & Municipalities)?
 - Where are we going?
- Constructive discussion from municipalities, PT and DLG in terms of revised MGAPs.
- One of the outputs for the engagement will be a consolidated MGAP per municipality for the balance of the financial year or even multi-years where that's relevant.

4. LOGISTICS

The sessions will be held per district with the City as a separate session in order to identify best practices and share experiences/provide guidance similarly to find amicable solutions to the many challenges relating to the local government audits.

Attached hereto please find the engagement schedule indicating the date and time slot for individual municipal visits according to the district.

Confirmation of attendance or apologies should reach the Secretariat at the Provincial Treasury by no later than 9 August 2013.

Confirmation and any further enquiries in this regard may be directed to:

Attention Ms Nangamso Sigwela
Directorate Corporate Governance: MFMA Compliance
Tel (021) 483 8223
Cell 076 503 9555
E-mail Nangamso.Sigwela@westerncape.gov.za

Or

Attention Mr Bazil R Vink
Director Corporate Governance (Governance, Risk, Compliance & Legal)
Tel (021) 483 6646
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DR JC STEGMANN
HEAD OFFICIAL: PROVINCIAL TREASURY
DATE: 2013/07/04

Annexure A

MGRO 1 - 2013 Engagement Schedule			
Date	Municipality	Time: 07:30 – 17:30	Venue
Eden District			
03 Sept '13	George	1 1/2 hour	Diaz Hotel (Mossel Bay)
	Knysna	1 1/2 hour	
	Mossel Bay	1 1/2 hour	
	Oudtshoorn	1 1/2 hour	
	Kannaland	1 1/2 hour	
	Eden District	1 1/2 hour	
	Bitou	1 1/2 hour	
Hessequa Municipality and Central Karoo District			
04 Sept '13	Hessequa	1 1/2 hour	Diaz Hotel (Mossel Bay)
	Central Karoo District	1 1/2 hour	
	Beaufort West	1 1/2 hour	
	Prince Albert	1 1/2 hour	
	Laingsburg	1 1/2 hour	
City of Cape Town			
05 Sept '13	City of Cape Town	4 hours	City of Cape Town
West Coast District			
10 Sept '13	Cederberg	1 1/2 hour	Blue Bay Lodge (Saldanha Bay)
	Bergriver	1 1/2 hour	
	Matzikama	1 1/2 hour	
	Saldanah Bay	1 1/2 hour	
	Swartland	1 1/2 hour	
	West Coast District	1 1/2 hour	
Overberg District			
11 Sept '13	Overstrand	1 1/2 hour	Caledon Spa & Hotel (Caledon)
	Cape Agulhas	1 1/2 hour	
	Theewaterskloof	1 1/2 hour	
	Swellendam	1 1/2 hour	
	Overberg District	1 1/2 hour	
Cape Winelands District			
12 Sept '13	Drakenstein	1 1/2 hour	Stellenrust Wine Estate (Stellenbosch)
	Stellenbosch	1 1/2 hour	
	Witzenberg	1 1/2 hour	
	Langeberg	1 1/2 hour	
	Breede Valley	1 1/2 hour	
	Cape Winelands District	1 1/2 hour	