



**PROVINCIAL
TREASURY**

Provincial Government of the Western Cape

Financial Management and

MFMA Implementation

**CFO Lekgotla:
December 2011**

Current Reforms and Work in Progress

Last MFMA Joint Meeting with NT and all PTs: 22/23 Nov'2011

- Last MFMA Circular – No.55: Budget Circular date 8 Mar '2011**
- Last now Circular 57 on Financial Systems – Oct'2011**

- Draft Circular Annual Report and Pilots**
 - **Last circular was No.11 – Jan'2005, new one will be issued soon.**
 - **New template piloted by CoCT, new list will incl Swartland, Knysna and possibly Overstrand. (Request as many possible)**
 - **Timeline will still remain 31 Jan until further notice/changes.**

- Draft Circular SCM**
 - **Circular No.56 attached and note impact of revised Preferential Procurement Regulations Sept'2011. (Reg.44 remains challenge)**

Current Reforms and Work in Progress

Circular on Cash and Banking

- Docs and info issued at last CFOF, munis run risk of not receiving grant funding (26 munis in SA not verified banking details)
- Circular on the way – issued soon (already issued for comments)

The establishment of MPACs in municipalities

- Received different by muni's due to different existing structures.
- SALGA-WC had workshop and created support website.

Current Reforms and Work in Progress

❑ Systems of Delegations in Municipalities

- Still high priority of the NT and all municipalities are to ensure reviewed, updated and implemented.
- After LG elections with many changes in positions, crucial.
- Supporting documentation (delegations in writing)

❑ Accounting treatment and budgeting of Depreciation

- After experience and analysis during MTEC 3, noted many disparities
- WCPT requested guidance from the NT, specifically if depreciation should be CASH backed or not?
- No real answer, discussed but indicated requires further research.

Current Reforms and Work in Progress

❑ MFMA Mon Indicators and Financial Management Capability Model

- 30 Monitoring indicators still infancy stages - done twice by PT.
- Will in future once proved credible share results with muni's.
- NT will also implement Financial Management Capability Model which will be a replica (copy) of the process for provincial departments (self populated by muni's).

❑ CFOF - SubComs (WC-PT)

- Still part of Provincial Strategic Objective of PT and will continue.
- Management Accounting Forum first meeting 9 Dec'2011.

The End