



PROVINCIAL  
TREASURY

Provincial Government of the Western Cape

# PROVINCIAL STRATEGIC OBJECTIVE NO. 12

## THE BEST REGIONAL RUN GOVERNMENT IN THE WORLD

### MUNICIPAL FINANCE

# BACKGROUND

## MFMA - CORE FUNCTIONS

**Governance:**  
MFMA Implement  
Internal Controls (IT )  
Finance Delegations  
BTOs + Capacity  
Assurance Functions  
SCM

**Reporting:**  
Fin Accounting (GRAP)  
Reporting (AFS)  
Accounting Systems  
Audit Outcomes

**MUNICIPAL  
FINANCE**

**Performance  
Management:**  
Annual Reports + PDOs  
Oversight Reports  
IDPs/Budgets/SDBIPs  
SEPs + IYMs

**Budgets + IYMs:**  
Exp & Rev Manage  
Cash Management  
Fiscal Policy  
IDPs/Budgets/SDBIPs  
SEPs + IYMs  
JWG work

# THE OBJECTIVE

**The objective is to drive MFMA implementation to achieve maximum or optimal impact in Financial Governance & Fiscal Policy in Municipalities and Municipal Entities.**

***Financially Healthy Municipalities***

# OUTCOMES INDICATORS

**Notable Improvement in Quality of Budgets & IDPs & Other achieving Optimal Impact and Results**

**Sound Control Environments and Governance in Muni's**

**Renewed focus on CASH Management, cost efficiencies & prioritisation (viability and gearing)**

**Research paper into Cost Management Models/Tools & Notable reductions in OPEX, Wastages**

**Improvement in the Alignment of IDP & Budget processes & better participation by all LG stakeholders in planning**

**Optimal Resource Management & Coordination**

**Municipalities with Constant Unqualified Audits Opinions**

# CFO FORUM - SUBCOMS

- ❑ CFO Forum remains primary platform for municipal finance strategic matters. PT Propose CFOF-SubComs.
- ❑ Cost Accounting lead by M. Sigabi/ F. Sabbat, Financial Accounting by L. Ngxonono, SCM by N. Ebrahim, Governance by B. Vink.
- ❑ All with purpose to create platform for working groups (technical level) that feed into CFOF.
- ❑ All SubComs must be properly formulated with comprehensive ToRs that are well aligned with related existing forums.  
Guidance & lead by PT-SMs of SubCom
- ❑ The PT foresee to start work in this regard immediately.

# CONCLUSION

- ❑ Municipalities are strategic partners and hence the PT needs the support of all to achieve PSO 12.**
- ❑ CFOs are the key partners for the PT specifically to achieve goal related to financial management.**
- ❑ PT will finalise PSO 12 consolidated plans for Cabinet during October 2011.**
- ❑ The APP of the PT will be adjusted accordingly and operational plans of the Units will follow same route.**
- ❑ The PT had used the opportunity to review current systems and processed to improve and make impact.**