



**DRAFT MINUTES OF THE MUNICIPAL CHIEF FINANCIAL OFFICER'S FORUM  
LEKGOTLA HELD 5 & 6 DECEMBER 2011, GARDEN ROUTE CASINO HOTEL &  
SPA, PINNACLE POINT, MOSSEL BAY**

**1. OPENING AND WELCOMING**

The Chairperson, Mr H Malila opened the meeting and welcomed everyone.

**2. ATTENDANCE AS PER ATTENDANCE REGISTER**

<b>ORGANISATION</b>	<b>NAME</b>
City of Cape Town	Mr J Steyl
West Coast District Municipality	Mr WPJ Steenkamp
Matzikama Municipality	Mr K Bruwer
Cederberg Municipality	Mr F Lötter
Bergrivier Municipality	Mr JA Van Niekerk
Bergrivier Municipality	Mr M Crous
Saldanha Bay Municipality	Mr S Vorster
Saldanha Bay Municipality	Mr J Luus
Swartland Municipality	Mr K Cooper
Swartland Municipality	Mr E Paulse
Swartland Municipality	Mr W Rossouw
Cape Winelands District Municipality	Mr JG Marais
Cape Winelands District Municipality	Mr S Arangie
Witzenberg Municipality	Mr J le Roux

<b>ORGANISATION</b>	<b>NAME</b>
Drakenstein Municipality	Mr C Mapeyi
Drakenstein Municipality	Mr G Combrink
Breede Valley Municipality	Mr M Memani
Breede Valley Municipality	Mr M Boonzaaier
Breede Valley Municipality	Ms Y Gerber
Langeberg Municipality	Mr P Hoffman
Langeberg Municipality	Mr B Brown
Langeberg Municipality	Ms L Sotshede
Overberg Municipality	Mr J Snyman
Overberg Municipality	Ms L Bastian
Theewaterskloof Municipality	Mr S Jacobs (day 1)
Overstrand Municipality	Mr BA King
Overstrand Municipality	Mr C le Roux
Cape Agulhus Municipality	Mr H Schlebusch
Eden Municipality	Ms L Hoek
Mossel Bay Municipality	Mr H Botha
Mossel Bay Municipality	Ms V Barkhuizen
Mossel Bay Municipality	Ms P Jende
George Municipality	Mr M Cupido
Bitou Municipality	Mr D Lott
Central Karoo District Municipality	Mr C Kymdell
Laingsburg Municipality	Ms A Groenewald
Laingsburg Municipality	Mr J Jacobs
Beaufort West Municipality	Mr D Louw
Beaufort West Municipality	Mr A Strumpher
Beaufort West Municipality	Mr D Hannekom
National Treasury	Ms V Mbunge
National Treasury	Ms I Baron
National Treasury	Mr K Venter
SALGA	Mr T Hadingham
Auditor-General	Mr L Holland (day 2)
University of Stellenbosch : USB-Ed	Mr MC Botha (day 2)
University of Stellenbosch : USB-Ed	Mr J Douglas (day 2)
Infrastructure Finance Corporation Limited- INCA	Mrs N Botha (day 1)
Infrastructure Finance Corporation Limited- INCA	Mr A Van Zyl (day 1)

<b>ORGANISATION</b>	<b>NAME</b>
Infrastructure Finance Corporation Limited- INCA	Mr F Wehncke (day 1)
Breede Valley Municipality – Infrastructure	Mr J Steyn (day 1)
Drakenstein Municipality – Supply Chain Manager	Mr D Jacobs
Infrastructure delivery improvement programme - IDIP	Mr G Nevin (day 1)
Department of Local Government	Mr G Paulse (day 2)
Department of Local Government	Ms E Barnard
Department of Local Government	Mr M Wust
Department of Local Government	Mr M Abrahams
Western Cape Provincial Treasury – Fiscal and Economic Services Branch	Mr H Malila
Western Cape Provincial Treasury – Public Policy Services	Mr A Phillips
Western Cape Provincial Treasury – Immovable Asset management	Mr N Langenhoven (day 1)
Western Cape Provincial Treasury – Governance & Asset Management	Mr A Hardien (day 2)
Western Cape Provincial Treasury – Fiscal and Economic Services Branch	Mrs V Coetzee
Western Cape Provincial Treasury – Public Finance Policy Research and Modeling	Ms C Horton
Western Cape Provincial Treasury – Public Finance Policy Research and Modeling	Mr T Rusike
Western Cape Provincial Treasury – Budget Management	Mr M Booysen
Western Cape Provincial Treasury – Budget Management	Mr K Haarhoff
Western Cape Provincial Treasury – LG Accounting Services	Ms L Ngxonono
Western Cape Provincial Treasury – LG Accounting Services	Mr T Madondile
Western Cape Provincial Treasury – Corporate Governance	Mr B Vink
Western Cape Provincial Treasury – Corporate Governance	Mr A Thomas
Western Cape Provincial Treasury - Local Government Finance (Group 1)	Mr F Sabbat
Western Cape Provincial Treasury - Local Government Finance (Group 1)	Mr E Johannes
Western Cape Provincial Treasury - Local Government Finance (Group 2)	Mr M Sigabi

<b>ORGANISATION</b>	<b>NAME</b>
Western Cape Provincial Treasury - Local Government Finance (Group 2)	Ms T Grainger
Western Cape Provincial Treasury - Local Government Finance (Group 2)	Mr Z Zonyane
Western Cape Provincial Treasury - Local Government Finance (Group 2)	Mr M Gqotso

## **2.1 Apologies**

West Coast District	-	Mr J Koekemoer
Witzenberg Municipality	-	Mr R Esau
Stellenbosch Municipality	-	Mr M Bolton
Overberg Municipality	-	Mr R Butler
Overstrand Municipality	-	Mr H Kleinloog
Hessequa Municipality	-	Mrs L Viljoen
Swellendam Municipality	-	Mr H Krapohl
Kannaland Municipality	-	Mr N Delo
Knysna Municipality	-	Mr G Easton & Mrs L McCartney
Prince Albert	-	Mr J Neethling

## **3. SETTING/APPROVAL OF AGENDA**

No items were added to the agenda. However Mr Sabbat and Mr Sigabi had to shorten their presentations due to time constraints.

## **4. CONSIDERATION OF MINUTES**

The minutes of the previous meeting held on 8 September 2011 was accepted as a true reflection of the discussions which took place.

## **5. MATTERS ARISING**

It was noted that all matters arising are addressed as agenda items.

## 6. TOPICS FOR DISCUSSION

Item No.	Topic	Discussion	Action required	Due Date
6.1	<b>Revenue Enhancement</b>			
6.1.1	Financial viability in municipalities: presented by Theewaterskloof Municipality	<p>A presentation was made by Mr S Jacobs (CFO) pertaining to Financial viability in municipalities. He also mentioned the importance of creating jobs in order for the community to pay for the municipal services.</p> <p>He also mentioned the importance of the tariff model that it should also be accurate. TWK municipality is getting assistance from DLG (Eda Barnard) in terms of Debtors Data cleansing.</p> <p>Mr Sabbat indicated the TWK was making strides with debt collection.</p> <p>Mr Vink appreciated and congratulated Mr S Jacobs for a job well done and by understanding the risk management regarding Debts. He indicated that if you understand risk and root cause you are able to put controls in place.</p> <p>Mr S Jacobs thanked the chairperson for the opportunity to present on the topic and encouraged all CFOs to take full control and be a change agent. He raised concern regarding municipalities using Consulting Engineers because a lot of money is spent on fees.</p>	None	None
6.1.2	Outcomes of MINMAY regarding financial viability	<p>Mr M Booysen (PT) presented on the Outcomes of MINMAY. He indicated that the attendance was a concern. He also mentioned that the discussion on the unfunded mandate was fruitful. Procurement regulations date for implementation was postponed from 5 December to June 2012 due to the fact that the municipalities were told late of the implementation.</p> <p>Governance important as the budget should be funded as well as maintenance of assets.</p> <p>NT indicated that the fiscal policy tariff should be cost reflective and funding should be reprioritised. The municipalities to also become sustainable. Review fiscal sustainable choices. Alignment of funding with powers and functions.</p> <p>Mr H Malila indicated that he also attended the MINMAY meeting only two CFO's attended the meeting.</p>	<p>Mr M Booysen indicated that other issues discussed on MINMAY will be discussed at the PCF Meeting.</p> <p>Mr H Malila indicated that Department Local Government will take responsibility of the MINMAY because they are the driver of the process.</p> <p>Ms E Barnard suggested that the Municipalities must also raise the issue of annual fees to the MM Forum so that it can be heard in both Forums.</p>	Ongoing

Item No.	Topic	Discussion	Action required	Due Date
		<p>Mr S Jacobs indicated the following issues regarding increase in annual fees:</p> <ul style="list-style-type: none"> <li>• The local municipal point is critical as they cannot address the high unemployment.</li> <li>• SALGA need to be consulted.</li> <li>• Policies to be aligned and adopted.</li> </ul> <p>Mr D Jacobs indicated that 6.1 &amp; 6.2 forms to be changed to preference specific. A circular to be sent out by NT. A tender who does not submit a certificate to get a zero rating.</p> <p>Mr Boonzaaier indicated that Palama held a workshop on 16 November which will be implemented and no changes to be made. He cautioned to look at functionality and NT will not change.</p>	<p>The matter of the fee increases to be elevated to SALGA meeting as well as escalated to the MINMAY.</p> <p>Mr M Malila emphasized that Auditor-General will zoom in for the compliance of the certificate, indicated that training is very crucial for SCM staff.</p> <p>Implementation of the regulation was by the 7 December 2011.</p>	
6.1.3	Progress on outstanding government debt owed to municipalities	<p>Mr E Johannes presented to the members of the CFO Forum the Municipalities outstanding Debts. He indicated that one-on-one engagements and visits were made to the 21 non metro municipalities.</p> <p>The impact of the devotion process was the following:</p> <ul style="list-style-type: none"> <li>• Property rates grant is an issue as payment cannot be made in an account name. The CoCT and Stellenbosch is pilots in the Western Cape for RSA properties. The data clean up on PT &amp; NT side will contribute to the financial sustainability.</li> </ul> <p>Mr H Malila emphasized that the meetings for the COCT is under control regarding the outstanding Debts, it is attended by the MEC, Councilors, DDG etc. The concern is on the smaller municipalities. He raised concern that sometime he would receive a call from indicating that the municipality will cut electricity and water services to Schools and Hospitals.</p> <p>Mr Sigabi highlighted concern with regards to additional funding required by municipalities.</p> <p>Mr M Memani expressed similar concerns and further suggested that if all municipalities can cut these services to the community maybe their concern will be heard at National Treasury.</p>	<p>The chairperson suggests that this matter be centralised and that Provincial Treasury should keep on facilitating by getting the provincial department and municipalities to resolve this issue.</p> <p>TPW and Education should be reflected by invoice.</p> <p>Mr Malila indicated that no cutting of services at schools and hospitals will take place. The current status on the committees for debt to continue.</p>	On-going

Item No.	Topic	Discussion	Action required	Due Date
		<p>Mr M Sigabi indicated that DTPW is one of the major contributor owing funds to municipalities. He also indicated that DTPW promised to make payment for the outstanding debts after adjustments. A request was made to municipalities to submit Outstanding Debt information to PT and NT on time in order to limit the challenge of payments.</p> <p>Mr S Jacobs expressed similar concerns and further thanked Mr Sigabi for his iron-fist approach, he indicated that the other challenge is that some Provincial Department they do not know their properties. He also indicated that if municipalities cut the services only the poor communities will suffer. He recommended a deduction in the statutory rates.</p> <p>Mr C Mapeyi indicated that as Drakenstein Municipality they only experience minor challenges regarding Provincial department's outstanding debts. The strategy is to have a debate with the departments concern to resolve the problem, cutting the services is not an option.</p> <p>Mr K Bruwers: raised a question pertaining to capacity constraints as information need to be obtained from the deeds office and not the municipality.</p> <p>Mr H Malila closed the topic by emphasising that as spheres of government we need to work together to decrease the issue of debts.</p>	<p>Mr K Bruwer requested a template to complete the properties.</p>	
6.1.4	Local Government Revenue and Expenditure review: Western Cape perspective	A presentation was not made by Ms V Mbunge (NT) due to challenges with the data.	This item was linked to the presentation on budget reforms.	none
6.1.5	P3 Tariff Modelling	A presentation was made by Ms C Horton (PT) pertaining to P3 Tariff Modelling.	Mr H Malila indicated that PT will consult with four other Municipalities being Swartland, Beaufort West, George and Witzenberg. There is a need to review municipal specific functionality which will be good for transparency. He also indicated that the tariff model is a guide to assist to be progressive cost reflective.	

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		<p>Ms Barkhuizen indicated that the model is user friendly but it depends on the type of information available on the system. She indicated that to date the municipality populated the information for all items except electricity through P3 Model, but the difficult part of it is to obtain all the information in line with the tariff model. She alluded to the fact that the model is transparent to the community.</p> <p>Mr S Jacobs expressed similar views and further indicated that the P3 Tariff Model is useful. It reflects the credibility of the expenditure, services to be quantified and change management in TWK.</p>		
6.2	Infrastructure delivery management toolkit (CIDB)	<p>Mr G Nevin presented to members of the CFO Forum the Infrastructure delivery management toolkit.</p> <p>Mr Steyn indicated that the toolkit need to be linked to the systems at the municipality for life cycle. He also indicated that it is a complicated model and in order to use it, it needs to be linked to asset management and project management.</p> <p>Mr G Nevin commented that the toolkit it is a stand-alone system and that it will speak to the life cycle causes as well as integration of entire process.</p> <p>Mr Z Zonyane indicated that the municipalities must not feel like they are side-lined the process will also include them, the presentation was asked in September already for the toolkit.</p>	None	None
6.2.1	IDIP implementation on the Province and how it is applicable to municipalities	<p>A presentation was made by Mr N Langenhoven pertaining to IDIP Implementation on the Province and how it is applicable to municipalities.</p> <p>Ms V Mbunge concurs with Mr Langenhoven, She also wanted more clarity on slide 12 and 13 regarding capacity challenges. Clarity was given that all spheres of government need to work together, the municipalities should get infrastructure support.</p>	Mr H Malila suggested that Mr Langenhoven should give more information at the next CFO Forum regarding the infrastructure planning.	Next CFO Forum Meeting
6.2.2	Infrastructure (Local Government)	<p>Mr M Wust presented to the forum the challenges of infrastructure in the local government.</p> <p>Mr H Malila enquired as to why the municipalities are struggling to spend on the capital budget?</p>	Mr Malila indicated that Ms V Mbenge is the person responsible at NT for the WC in terms of roll-overs.	NT distributed circular 58 on the 14 December 2011.



Item No.	Topic	Discussion	Action required	Due Date
		<p>Mr Cooper shared with the house that Swartland Municipality received an award for spending the MIG funds as they are spending in advance. He also indicated that the municipality cannot register for a deficit as they cannot afford unbundling and cannot replace assets in the future. (circular 55). It was also mentioned that with the combined sources of income you can spend MIG grants first.</p> <p>Bradley raised an issue with National Treasury Circular 48 which contradicts with Provincial whereby NT Circular states that Vat should be included whereas Provincial states that Vat is excluded.</p> <p>Mr Wust expressed concern that the Asset evaluation is a challenge due to different processes and it is difficult to compare municipality to municipality.</p> <p>Mr Zonyane indicated that the MIG funding is aligned to the human settlements. There is a need to review spending municipalities as best practice. The co-operation between PT and municipalities is important and he also raised the issue of housing spending grants to small municipalities. The issue of holding the unspent grants.</p> <p>Mr Zonyane indicated that there is a committee that looks at these challenges and it needs co-operation from both provincial and local government departments.</p> <p>Mr H Malila explained the issue of unspent grants that DORA is clear in the sense that municipalities should spend money or they will get no funding.</p> <p>Mr Botha indicated that they received grants late in the year and they cannot delay projects by 3 - 4 months. NT to communicate earlier.</p>	<p>He also indicated that Mr Sigabi will take this issue into consideration.</p> <p>Ms V Mbenge agreed with Bradley regarding the contradiction but she indicated that on 9 December a new Circular will be out which will cover the problem.</p> <p>Mr Malila to take up issue with Mr Hattingh and Mrs Mbunge to assist. The matter to also be addressed with housing on a project base.</p>	
6.2.3	INCA-Financial Assessment Toolkit	<p>Presentation by Ms N Botha (INCA) highlighting achieving financial sustainability.</p> <p>The presentation was focusing on the following steps to achieve the goals:</p> <ul style="list-style-type: none"> <li>• Perform a historical financial trend analysis</li> <li>• Acknowledge present financial position</li> <li>• Cash flow – Past, Present &amp; Forecast</li> </ul>	Ms Botha emphasised the importance of financial benchmark and also that the toolkit was available if required.	

Item No.	Topic	Discussion	Action required	Due Date
		<ul style="list-style-type: none"> <li>• Assess capital infrastructure funding strategy</li> <li>• Set financial objectives and guidelines</li> <li>• Monitor progress and reassess steps</li> </ul>		
6.2.4	Infrastructure challenges (Breede Valley)	<p>Mr J Steyn presented to the forum the infrastructure challenges in the local government sector. The major part of the presentation was the projects the municipality is currently doing and future planned projects as well as the future developments. He also indicated that private investors were important to assist municipalities. There is a need to maintain all the structures which in effect is costly. For ease of reference he encouraged the forum to read Numbers and Needs by Allison Lawless.</p> <p>Mr H Malila advised that the Engineers and the CFOs should work together.</p> <p>Mr K Cooper also mentioned that Engineers do not have knowledge of Budgeting so it is imperative the CFO assists with the budgeting skills in terms of costing.</p> <p>Mr S Jacobs indicated resources are limited as funding is a concern in terms of eradicating backlogs. He also mentioned the lack of planning in SCM by engineers who abdicate responsibility to consultants.</p> <p>Mr Botha also added that 5% of the budget is what the public can afford and that infrastructure is vital.</p> <p>Mr K Haarhof raised a question whether the municipalities have access to EPWP Grants?</p> <p>Mr Memani raised a concern on the issue of EPWP Funds, he indicated that claims are submitted but no feedback is received in this regard.</p> <p>Mr Steyn responded to the EPWP question by indicating that the funds are used for small projects example to clean the towns. The purpose of these funds is to create jobs for the poor. He also alluded to ring-fencing in terms of water and sewerage and spending on infrastructure.</p>	Mr Steyn indicated that there is a need for training initiatives and support.	On-going

Item No.	Topic	Discussion	Action required	Due Date
6.3	In-year Monitoring and Reporting (distribution of Gazette)	<p>Mr F Sabbat presented to the forum the In-year Monitoring and Reporting. He alluded to the remaining challenge on the submission of Appendix B forms (Creditors) that some amounts are showing over 30 days as well as the C-Schedule is a challenge to a few municipalities.</p> <p>Mr B Brown mentioned the municipality should wait for the Audit Report before doing depreciation.</p> <p>Kobus raised a concern in term of Rates that they will increase in July.</p>	None	None
6.3.1	Status on current reforms MFMA Budgets (Challenges and success of budget reforms)	<p>A presentation was made by Ms V Mbunge (NT) pertaining to Status on current reforms. An appeal was made for 100% compliance. The future budget reforms deal with next year financial misconduct which is driven by Mr Pillay.</p> <p>Mr Memani wanted clarity on the unfunded budget. Municipality advised NT to communicate directly with a specific municipality.</p> <p>Mr J Steyl indicated that there was a reputational risk by NT in terms of communicating directly with one municipality only and not send to all.</p> <p>Mr Schlebusch stated why should grants be checked and verified but NT still withholds funds. MIG in advance is unspent grants.</p> <p>Mrs V Mbunge advised that Breede Valley Municipality must consult the Funding Compliance guidelines as the table is key in budget verification, and is also linked to returns. She also alluded to s74 for information purpose to the AG.</p> <p>Mr Memani indicated that table eight was not communicated and NT to provide feedback on credibility of the budget. Mr Sabbat responded to the issue raised by stating that SA ten is key to finding if NT makes the call on funding of credibility. When we review the seven years the numbers speak to all documents.</p> <p>Mr Steyl raised concern on incorrect findings by NT in terms of communication where there was no verification of information. A plea was made for one-on-one communication.</p>	<p>Mr H Malila indicated that he observed the frustration of the municipalities regarding the e-mails, he suggested that he will discuss the issue with Mr J Hattingh at NT. He requested NT not to send blanket e-mails and will formalise the concern.</p> <p>Mr Hattingh to be requested to attend the next CFO meeting. Mr Malila requested that a draft letter be sent to the CFO and send a collective response to NT.</p> <p>NT to respond to request to municipality by letter.</p> <p>A request was made for NT to be part of all engagements.</p> <p>Mr Malila alluded to correlation between NT and PT.</p>	A.S.A.P

Item No.	Topic	Discussion	Action required	Due Date
6.3.2	Budget formats 2012/13 (excel budget format changes for implementation)	Ms I Baron (NT) presented to the forum the Budget formats 2012/13. She mentioned the changes on the A-Schedule, additions on the SA13 new table.	Mr H Malila indicated that he would communicate with Mr Hattingh regarding the postponement of the 2012/13 changes.	None
		<p>Mr Memani expressed a concern that the changes in the schedule are communicated late, he advised that NT should postpone changes for the 2012/13 financial year.</p> <p>Mr Schlebusch raised concern with regards to data and completing the tables and also that municipalities was not consulted.</p> <p>Mr J Steyl enquired as to who was consulted during the process and made reference to cost implications for changes of this magnitude. Ms Baron indicated that amendment 2.4 was sent to the system vendors and they received a comment by the CoCT.</p>	Ms Baron to send the communication with vendor to CoCT.	At earliest convenience
6.3.3	Financial Management and MFMA implementation	A presentation was made by Mr F Sabbat (PT) pertaining to Financial Management and MFMA implementation.	None	None
		<p>In terms of all Creditors v Top 10 and Nil returns - All municipalities to please submit all returns.</p> <p>C-Schedules reporting along with quarterly Sect. 52 reports a must to submit.</p> <p>YTD Budget Information – Budget Schedules SA 25 &amp; SA 30 v NT Database C-Schedules Quarterly averages.</p> <p>Quality Certificates remains concern and municipalities was requested to assist in this regard.</p> <p>New Formats of IYM Appendix B Forms, especially Cash Flow Report (CFA).</p> <p>Negative and other erroneous reporting negative affects publications.</p> <p>Cash Flow positions and outstanding debtors balances of many municipalities remain to be of concern. (cognisant of economic climate).</p>		

Item No.	Topic	Discussion	Action required	Due Date
6.3.4	LGMTEC 3 Framework	<p>Mr M Booysen (PT) presented to the forum the LGMTEC 3 Framework and indicated the proposed dates of the engagements to municipalities. He also mentioned that DLG assessment will also form part of the framework.</p> <p>Mr J Steyn raised a concern that the proposed dates will not be possible for the COCT due to tabling of the budget.</p> <p>Mr H Malila indicated that a formal letter will be sent to municipalities, and also indicated that Municipalities should know that legislation is bidding.</p>	Mr Malila indicated that draft budget allocations will be sent to municipalities by 15 February 2012. He then in response to Mr Steyl's request made the deadline 25 January 2012.	February 2012
1.1	Implementation of budget reforms presented by Mossel Bay Municipality	<p>Mr H Botha (CFO) presented to the forum the Implementation of budget reforms. He suggested simplified forms, better communication between NT &amp; PT. He also requested funding from NT in this regard.</p> <p>Mr H Malila alluded that the municipality should have also mentioned the stability in the municipality on the presentation. He also mentioned that the CFO's should lead from the front, and they must step up in terms of training the staff.</p>	Mr Zolani emphasised the issue of read only access to the web-based database. He indicated that he will advise NT to furnish the municipalities with access to the information.	On-going
1.2	Developing of financial assessment standards presented by Swartland Municipality	<p>A presentation was made by Mr K Cooper (CFO) on the model developed of financial standards. He indicated that the municipality does 5 year budgeting on the model.</p> <p>Mr Zonyane indicated the issue of the debtors that are still a challenge to municipalities.</p> <p>Mr Sabbat commented that Swartland is doing a good job in terms of debt collection.</p> <p>Mr Malila stated that we should be able to measure everyone on the same standard and said that the model should be rolled out to better inform SA tables.</p>	<p>Mr H Malila agreed that the model be rolled-out and that municipalities to please forward input to Mr Cooper.</p> <p>Mr Steyl to forward MBRR funding compliance ratio data to Mr Cooper. Mr Moos to also provide data.</p>	Review status on model at the next CFO Forum
1.3	Adjusted estimates: 2011 Local Government and Accounting systems presentation.	A presentation was made by Mr M Sigabi (PT) pertaining to Adjusted estimates for 2011. In terms of his presentation he indicated that he will focus more on the roll-overs and unspent conditional grants. He indicated that funds will be allocated to pilot municipalities. He also indicated that there is no formal way to apply for these funds.		

Item No.	Topic	Discussion	Action required	Due Date
		<p>Mr J Steyn raised a concern regarding the timeframe and the process of spending the money. He indicated that these allocations should not be fiscal dumping.</p> <p>Mr M Sigabi thanked all the municipalities for participating in the accounting system project and PT to still engage with Beaufort West.</p>	<p>Mr Malila indicated that no funds is available for the CoCT.</p> <p>Mr Malila indicated that the report to be compiled be circulated to municipalities. Mr M Sigabi mentioned the due date of the 15 February 2012. All accounting systems presentations to be made available to municipalities.</p>	
1.4	Implementation of SCM from a municipal perspective: Drakenstein Municipality	<p>A presentation was made by Mr D Jacobs (SCM) pertaining to Implementation of SCM. The Municipality has one system for bids over R200 000 and the bids are open to the public.</p> <p>Mr Boonzaaier enquired as to what to do if the CFO does not comply and the response was to report it to the MM or council.</p>	None	None
2.1	What municipalities must do to improve Audit outcomes with regards to SCM and Financial Governance, etc.	<p>Mr L Holland (AG) presented to the forum the importance of how to improve Audit outcomes with regards to SCM and Financial Governance. He stated that we moving towards clean audit reports before 2014. 18 Municipalities submitted AFS on time and 12 were late submissions and 4 not yet submitted.</p> <p>Mr Le Roux alluded to prohibition on state entities to do work with service of the state and requested NT and PT to compile a database that can identify members in the service of the state.</p> <p>Mr Holland commented that Mrs Ebrahim is busy with the process. He also indicated that municipalities should review contract management process.</p>	<p>Mr Malila thanked the AG for the partnership and indicated that the aim is to improve overall financial management.</p> <p>Mr Hardien indicated that PT will have to access the information and make it available to the municipalities.</p> <p>Mr Malila indicated that SCM to address this issue at the next meeting.</p>	<p>Ongoing</p> <p>Next CFO meeting</p>
2.2.1	Audit finding 37 (Knysna issue): Asset Management	<p>Ms L Ngxonono (PT) presented to the forum the Audit finding 37 (Knysna issue): Asset management. Completeness of fixed asset register. She highlighted the future support to municipalities for 2012/13 financial year.</p> <p>Mr Holland advised that the municipalities should do asset counts frequently and not on an annual basis. He also mentioned that training provided by PT on GRAP 17 is imperative.</p> <p>Mr Le Roux enquired as to whether there will be more GRAP initiatives.</p>	<p>Ms L Ngxonono indicated that there will be initiatives in the future.</p>	

Item No.	Topic	Discussion	Action required	Due Date
3.1	Provincial Treasury's capacitation programme in collaboration with USB-Ed	<p>A presentation was made by Mr MC Botha (USB-Ed) relating to capacitation programme offered by USB, which will start next year (staff development).</p> <p>Mr Le Roux raised a question: how were the pilot municipalities identified? He requested that Overstrand Municipality should also be part of the pilot municipality because it is a small municipality. He alluded that municipalities should be consultant regarding Agricultural policy. He also indicated that the policy and procedures are written for larger municipalities and there is a need to include one or two smaller municipalities.</p> <p>Mr D Louw indicated that they have a low SOP and PDO group.</p> <p>Mr Lott volunteered the Bitou SOP as reference.</p> <p>Mr Botha indicated an agenda every 3 meetings for 3 years to be drafted. The CFO to make information available to MMs and the case studies, questions and remarks to be posted on a website.</p>	<p>Mr Malila indicated that PT will consult with key municipalities for the roll-out over 3 years.</p> <p>A plan will be tabled again to include small municipalities as pilot.</p>	
4.1	SALGA Municipal Finance Programme	<p>A presentation was made by Mr T Hadingham (SALGA) relating to Municipal Finance and alluded to the increase in fees.</p> <p>Concern was raised regarding the increase in fees as communities cannot afford to pay.</p>	Mr Hadingham to take request to higher level.	
4.2	Preparation for LGMTEC 2 (Indaba 2)	<p>Mr M Booysen (PT) presented to the forum the Preparation for LGMTEC 2 (Indaba 2). He indicated that LGMTEC 2 and indaba will be combined and he also mentioned the advantages of merging the 2 projects.</p> <p>Reference was also made to the LG FGRO stating that Mr Vink and team will engage on the financial management part.</p> <p>Mr Steyl requested for the date of the 15th February to be brought forward as budgets will be finalised by then.</p>	<p>Mr Malila indicated that in February PT will provide draft budget allocations. The changes will be kept to a minimum.</p> <p>Mr Malila indicated that the due date will be the 27th January 2012.</p>	Mid February
5.1	Property Evaluation	Ms E Banard (DLG) presented to the forum on Property valuations. She indicated that on the 3rd February 2012 a workshop will be held in Worcester on valuations. The municipalities are requested to identify areas for training. The MPRA focus group will assist municipalities with the implementation of the act.	Mr Malila indicated that the issue be taken up at the next CFO and a specialist will address the issue. A committee to be established with CoCT, Eden and Overstrand.	Ongoing

Item No.	Topic	Discussion	Action required	Due Date
		<p>Mr H Malila expressed the importance of property rates as this is the biggest source of revenue generated.</p> <p>Mr Moos enquired as to when the changes will be implemented.</p> <p>Mr Botha requested the correct usage on valuations be done.</p> <p>Ms Barnard indicated that the comments in terms of the MPRA has not been passed yet and will be available in January. She also requested the FORA to share experiences and check with NT. The checklist drafted by Mr Abrahams will be sent to GV practitioners and comments to be sent to DLG.</p> <p>Mr Steyl raised concern in this regard and she indicated that DLG will provide feedback to the FOR A.</p>		

## 7. CLOSURE

The Chairperson, Mr H Malila, thanked all present for attending 2 day session and commented on the high level of engagement with high standards. He also thanked the CFO of Mossel Bay and Mr Paulse as well as Ms Barnard of the Department Local Government for their contribution to the success of the meeting. The presenters were thanked for their input as the CFO is a platform to present best practices. NT was also thanked for attending and presenting and was assured that the Western Cape will continuously provide support on all aspects of Local Government. A request was made for all presentations to be placed on the website. He also thanked the intern from Swartland Municipality who assisted with the presentation as this is also a platform to gain exposure. The PT delegation who co-ordinated the event was also thanked. All the resolutions in terms of NT to be attended to as soon as possible.

Mr H Schlebusch also indicated that Mr K Bruwer will be retiring and wished him well.

The meeting adjourned at 13:00 on day two of the CFO Legkotla.