Professionalisation of Local Government - Minimum Competency Levels and Talent pipeline

CHARTERED INSTITUTE OF GOVERNMENT FINANCE AUDIT & RISK

SPEAKER: NKATEKO NKUNA

12 JUNE 2023

provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

MPUMALANGA
THE PLACE OF THE RISING SUN

Legal Framework

MFMA Capacity Building:

- MFMA Section 34 (1), the national and provincial governments must by agreement assist municipalities in building the capacity of municipalities for efficient, effective and transparent financial management.

MFMA Competency Levels of Professional Financial Officials:

- MFMA Section 83, the accounting officer , senior managers, the chief financial officer and other financial officials of a municipality must meet the prescribed financial management competency levels.

- MFMA Section 107, the accounting officer , senior managers, any chief financial officer and all other financial officials of a municipal entity must meet the prescribed financial management competency levels.

Competency Levels of officials involved in Municipal Supply Chain Management:

- MFMA Section 119, the accounting officer and all other officials of a municipality or municipal entity involved in the implementation of the supply chain management policy of the municipality or municipal entity must meet the prescribed competency levels.

Status of Minimum Competency Levels, Gazette 29967 of June 2007

- There are further reporting directives, among others, issued through the amendments to the minimum competency levels, Gazette 41996 of 26 October 2018;

- Regulation 9 states **"A municipality must report to the National Treasury and the relevant provincial treasury by 30 January and 30 July of each year "**.

- **The January 2023 reporting** should include information on the relevant officials who were serving the municipality between July and December 2022.

- **The July 2023 reporting** should include information on the relevant officials who were serving the municipality between January and June 2023.

Status of Minimum Competency Levels

The relevant officials to be reported on:

1) Accounting Officer, CEO Entity;
2) Chief Financial Officer, CFO Entity;
3) Senior Managers(MSA s56);
4) Middle Managers; and
5) Head of SCM & SCM Managers.

Minimum Competency criteria:

1) High Education Qualification;
2) Work Related Experience;
3) Performance Agreement signed *(where applicable); and*
4) Relevant Unit Standards completed as per the regulation *(gazette 29967).*

Status of Minimum Competency

MINIMUM COMPETENCY LEVELS FOR SENIOR MANAGERS

Description	a) All municipalities with annual budgets of a value below ~~R500 million;~~ (R1 billion) and b) All municipal entities of a parent municipality with an annual budget of a value below R500 million	a) All municipalities with annual budgets of a value equal to or above ~~R500 million~~; and (R1 billion) b) All municipal entities of a parent municipality with an annual budget of a value equal to or above R500 million
Higher Education Qualification	At least ~~NQF Level 6~~ in a field relevant to the senior management position ~~or~~ NQF Level 7 ~~Certificate in Municipal Financial Management (SAQA Qualification ID No. 48965)~~	NQF Level 8 At least ~~NQF Level 7~~ in a field relevant to the senior management position
Work-Related Experience	Minimum of 5 years at middle management level	Minimum of 7 years at senior and middle management level, of which at least 2 years must be at senior management level

Status of Minimum Competency

Financial and Supply Chain Management Competency Areas	Required Minimum Competency Level in Unit Standards	Required Minimum Competency Level in Unit Standards
Strategic leadership and management	116358; 116361	116358; 116361
Operational financial management	119341; 119331; 116364	119341; 119331; 116364
Governance, ethics and values in financial management	116343	116343
Financial and performance reporting	116363; 119350; 119348; 116341	116363; 119350; 119348; 116341
Risk and change management	116339	116339
Project management	119343	119343
Legislation, policy and implementation	119334; 116361	119334; 116361
Supply Chain Management	116353	116353
Audit and assurance	116351	116351

Status of Minimum Competency Levels

LGSETA

47 Van Buuren Road, Bedfordview 2007, P O Box 1964, Bedfordview 2008
Telephone 011-456-8579 Facsimile 011-450-4948 Email info@lgseta.org.za Website http://www.lgseta.org.za

Statement of Result

Learner achievement

Learner registration number with the LGSeta	[redacted]
Learner Name	[redacted]
National ID	[redacted]
Alternate ID	

Unit Standard Achievement Status

Unit Standard ID	Unit Standard Title	Credits	Status	LGSeta Endorsement number	Endorsement Date
116343	Apply the principles of ethics in a municipal environment	10	ACHIEVED	US-116343-6685657	20201118
116364	Plan a municipal budgeting and reporting cycle	8	ACHIEVED	US-116364-6685646	20201118
116348	Conduct stakeholder consultation around municipal finance programmes	8	ACHIEVED	US-116348-6685647	20201118
119348	Apply selected GRAP (Generally Recognised Accounting Practices) to periodic accounting reporting process	12	ACHIEVED	US-119348-6685648	20201118
119352	Apply principles of information systems to public finance and administration	12	ACHIEVED	US-119352-6685649	20201118
116345	Apply the principles of budgeting within a municipality	15	ACHIEVED	US-116345-6685650	20201118
119341	Apply cost management information systems in the preparation of management reports	15	ACHIEVED	US-119341-6685651	20201118
119334	Discuss the selected legislative regulatory framework governing the public sector management and administration environment	12	ACHIEVED	US-119334-6685652	20201118
119351	Apply principles of computerised systems to manage data and reports relevant to the public sector administration	10	ACHIEVED	US-119351-6685653	20201118
116358	Contribute to the strategic planning process in a South African municipality	15	ACHIEVED	US-116358-6685645	20201118
116342	Apply approaches to managing municipal income and expenditure within a multi-year framework	15	ACHIEVED	US-116342-6685656	20201118
116362	Manage a municipality's assets and liabilities	11	ACHIEVED	US-116362-6685666	20201118
119331	Conduct working capital management activities in accordance with sound financial management policy	12	ACHIEVED	US-119331-6685658	20201118
116363	Prepare and analyse municipal financial reports	12	ACHIEVED	US-116363-6685659	20201118
116351	Conduct auditing planning and implementation in a South African municipality	12	ACHIEVED	US-116351-6685660	20201118
116339	Apply risk management in South African municipalities	10	ACHIEVED	US-116339-6685661	20201118

P. Mkele

Pumla Mkele
ETQA Manager
pumlam@lgseta.org.za

SOR Date **Wednesday, November 25, 2020**

[redacted]

UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG

WITS SCHOOL OF GOVERNANCE
UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG

Statement of Result
Learner Achievement Report

Learner Registration number with the LGSETA	[redacted]
Learner Name	[redacted]
ID Number	[redacted]
Qualification ID	48965
Qualification Title	Certificate in Municipal Finance Management
Accreditation Number	LG870P

Unit Standard Achievement Status

Unit Standard ID	Unit Standard Title	Credits	Status
116342	Apply approaches to managing municipal income and expenditure within a multi-year framework	15	Achieved
116343	Apply the principles of ethics in a municipal environment	10	Achieved
116341	Conduct performance management to a SouthAfrican municipal environment	12	Achieved
116348	Conduct stakeholder consultation aroundmunicipal finance programmes	8	Achieved
116358	Contribute to the strategic planning process ina South African municipality	15	Achieved

These results are provisional.

This learner is currently completing the course. Assessments and moderation has been done on the topics attended.

Yours sincerely

MANKU KOTELO
PROGRAMME MANAGER

provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

MPUMALANGA
THE PLACE OF THE RISING SUN

Developments in the SAQA and QCTO landscape

- The year 2010 saw the introduction of the three Quality Councils: that is, QCHE –universities; QC Umalusi – FET up to matriculation and QCTO – Quality Council for Trades and Occupations that was meant to transition all the SETAs into this QC;

- As part of the responsibilities of the QCTO all 21 SETA qualifications are to be rewritten as occupational qualifications to strengthen desired learning earmarked to develop individuals for occupations instead of jobs;

- To give effect to this QCTO transition, NT has in 2017 commenced with a process to rewrite the regulated qualifications, Certificate: Municipal Financial Management, SAQA 48965 as an occupational qualifications;

- It is only in January 2023 (5 years later) that SAQA has now approved and endorsed the rewritten qualifications for possible implementation by 2027; and

- This endorsement necessitates that as a start, the training material sets be updated/rewritten to ensure it reflects the latest reforms and to ensure endorsement as an occupational qualification.

SAQA and QCTO …continued

- The training material development process will be led and financed by the LGSETA as an Assessment Quality Partner;
- NT with the support of the respective provinces may provide the quality assurance on the developed training material sets under the MFMA reforms;
- An MOU to give effect to this requirement is currently with the LGSETA team for ratification asap;
- It is envisaged that the process of rewriting the training material sets will be concluded by Sept 2023 or thereabouts depending on the extent of changes required;
- Colleagues to note that municipal officials may continue to register for the legacy qualifications by 2024 with 2027 being the last registration - end date;
- Post the 2027 deadline the current legacy qualifications will cease to exist; and
- NT will in the meantime prepare processes to amend the current regulations to give effect to the new SAQA framework for qualifications.

SAQA and QCTO Cont.…

- The training material development process will be led and financed by the LGSETA as an Assessment Quality Partner;

- NT with the support of the respective provinces may provide the quality assurance on the developed training material sets under the MFMA reforms;

- An MOU to give effect to this requirement is currently with the LGSETA team for ratification asap;

- It is envisaged that the process of rewriting the training material sets will be concluded by Sept 2023 or thereabouts depending on the extent of changes required;

- Colleagues to note that municipal officials may continue to register for the legacy qualifications by 2024 with 2027 being the last registration - end date;

- Post the 2027 deadline the current legacy qualifications will cease to exist; and

- NT will in the meantime prepare processes to amend the current regulations to give effect to the new SAQA framework for qualifications.

Implications of the QCTO developments on monitoring and support of minimum competency levels

- Municipal officials that are compliant need not re-register for the occupational qualification by the due date;
- The FM competency areas attained in the current qualifications are still relevant for the MFMA reforms, among others;
- NT, SAQA and LGSETA will continue to recognise the current achievements as part of lifelong learning;
- NT and PTs need to provide continued support to the clients to comply and report expeditiously on this reform;
- PTs and Munic to continue sourcing alternative funding needs for their officials on this programme through Discretionary, Mandatory & Special Grant Funding framework across all the 21 SETAs;
- Note that the SETA funding windows opens in April and October every year; and
- Prioritise officials that have not yet registered and trainees (Interns) in the uptake of this programme to strengthen knowledge and competencies, and to develop the talent pipeline for the BTOs.

Status of Minimum Competency

- **The process to follow in reporting**:

1) Submit the reporting template (Annexure C) along with the LGSETA Statement of Results or Training Provider Affidavit for each official reported on ALL the relevant officials by dates stipulated in regulation 9 of gazette 41996. *Annexure C should always be submitted in excel format;*

   - Delegated municipalities should submit to Provincial Treasury and Non-delegated municipalities should submit to National Treasury; and

2) National Treasury then process the submissions and provides an analysis of the submission – also called the Progress Report.

Status of Minimum Competency

- **The process to follow in reporting (continued)**:

3) The Progress Report is sent to the municipality for sign off by the MM and the CFO;

4) Municipalities can resubmit corrected Annexure C to correct the Progress Report of their municipality. (back to step 1); and

5) The Municipal Manager and the Chief Financial Officer are then expected to sign the Progress Report to certify that the information is true and correct as it reflects the latest records on Competency Levels for officials in the municipality.

NB!

- **Do not do corrections on the Progress Report; and**
- **Do not alter the templates i.e. Annexure C or Progress Report**.

Municipal Finance Management Internship Programme (MFMIP)

- **Internship (MFMIP) Guideline Revised**
  - The MFMIP guideline has been revised incorporating all comments from the respective provinces.
  - We shall share the draft once again with the relevant PTs for their final review before publishing on the NT website; and
- **The municipalities are expected to complete the following with information on the Implementation of MFMIP in the province**:
  - The MFMIP Table;
  - Each intern must complete a Data Forms *(in excel)* along with their respective signed Rotation sheet *(in pdf)* for each intern; and
  - We will be requesting each intern's internship contracts in the new Financial Year.
- **Compulsory Training for Interns**:
  - MFMA Interactive DVD Learning, and
  - Municipal Finance Management Programme(MFMP).

Municipal Finance Management Internship Programme (MFMIP)

- **MFMIP Contract Extensions**:
  - Should a municipality want to extend an intern's contract beyond the specified period, the municipality is expected to write a formal letter *(signed by the CFO or MM)* to the National Treasury stating reasons and intentions in order to be granted permission to do so;
  - Contracts are extended if the intern has not completed the MFMP training by the end of their contract or the municipality needs the extension in order to appoint the intern permanently; and
  - The National Treasury extends contracts by 12 months.

Reporting issues identified (Minimum Competency Regulations)

- Reporting for municipal entities not included;
- Inaccurate information displayed on Annexure C and information cannot be backed with supporting documents;
- Late or non-submissions;
- No follow up or remedial actions on officials who are not meeting the prescribed minimum competency levels; and
- No verified statement of results: Need to be moderated and verified by LGSETA.

Reporting issues identified (MFMIP)

- Rotation sheets from prior quarters being sent;
- Intern forms and rotation sheets are not sent for every intern (incomplete);
- Late or non-submissions;
- Lack of rotations (Interns should rotate in at least 3 areas);
- Interns exceeding the internship period with no approved contract extensions or prospects of permanent employment; and
- Interns not being put through the mandatory MFMP and MFMA interactive learning.

Support by Provincial Treasury

- Monitor delegated municipalities compliance with Minimum Competency regulation, FMG Framework and MFMIP guidelines;
- Manage the required reporting from ALL delegated municipalities;
- Regularly follow up on ALL outstanding delegated municipalities reporting requirements and give updates on the progress to National Treasury;
- Support municipalities on the MFMIP guidelines, especially MM/CFOs and HR Managers. Ensure the implementation of the MFMA DVD Learning,
- To ensure that the performance information on the minimum competency levels and internship programme is linked to the continued FMG grant allocation.
- Provincial Treasury will continue to monitor and support municipalities and report accordingly to the NT in line with the reporting periods;
- PT to meet the SDFs, HR, Mentors, and Interns

Partnership with SAIPA

Provincial Treasury has partnered with the South African Institute of Professional Accountants as SAIPA accredited Training Centre. A total of 30 trainee accountants are placed in both Local and Provincial Government.

- 7 trainee accountants are placed in 3 Public entities.

- 5 trainee accountants are placed in 3 Municipalities, namely:
  - Thaba chweu Local Municipality,
  - Emalahleni Local Municipality and
  - Chief Albert Luthuli Local Municipality.

- 18 trainee accountants are placed in 9 MP Provincial Departments.

Partnership with LGSETA

The Provincial Treasury has also partnered with the The Local Government Sector Education and Training Authority (**LGSETA).** Following the Department's application for discretionary grant funding during the period November to December 2022, PT has been approved of the application by the LGSETA Board to implement the following projects during 2023/24 financial year:

Learnership Intervention	Qualification	SAQA ID	Number of Learners
Learnership	National Certificate: Municipal Financial Management Programme	48965	40
Learnership	National Certificate: Local Economic Development	36436	20
Learnership	National Certificate: Environmental Practice	49752	20
Learnership	National Certificate: Water and Waste Reticulation Services	60169	20
Learnership	National Certificate: Water and Waste Treatment Process Operations	58951	10
	Total		110

Thank you