

MFMA CAPACITY BUILDING AND TRAINING

PRESENTED BY:
Xolisa Dlanga

Division:
MFMA Capacity Building and
Training

Date:



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



**STAY
SAFE**

VACCINATE TO SAVE SOUTH AFRICA

- National shortage of skills in financial management, internal audit and enterprise risk management, resulting in competition for a limited pool of resources between public and private sectors (SAICA 2008)
- Staff competence levels in the Public Sector are inadequate to comply with standards and requirements
- Few qualifications address the specific operational requirements of the public sector
- Only a limited number of ETD solutions are relevant to the public sector and are accredited on the NQF (only 5% to 10% match relevance and programmes)

Municipal Minimum Competency Regulation

- The Municipal Regulations on Minimum Competency Levels was published 15 June 2007 (gazette 29967).

- **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,
 - 5) Head of SCM, SCM Manager

- **Minimum Competency criteria:**
 - 1) High Education Qualification,
 - 2) Work Related Experience,
 - 3) Performance Agreement signed(*where applicable*),
 - 4) Relevant Unit Standards completed as per the regulation(*gazette 29967*)

Municipal Minimum Competency Regulation

- Exemption Notice was published in the Government Gazette dated 03 February 2017:
 - Assuming that three of the four requirements are met (HEQ, EXP and PA).
 - Existing officials must attain the Minimum Competency Levels within 18 months from 03 February 2017.
 - New appointees must attain FM & SCM competencies within 18 months from date of appointment (the contract should state that failure to achieve the required minimum competency within the prescribed period will lead to the automatic termination of the contract).
- The Municipal Regulation on Minimum Competency Levels was amended through gazette 41996 of 26 October 2018:

MINIMUM COMPETENCY LEVELS FOR SENIOR MANAGERS

Description	<p>a) All municipalities with annual budgets of a value below R500 million; and (R1 billion)</p> <p>b) All municipal entities of a parent municipality with an annual budget of a value below R500 million</p>	<p>a) All municipalities with annual budgets of a value equal to or above R500 million; and (R1 billion)</p> <p>b) All municipal entities of a parent municipality with an annual budget of a value equal to or above R500 million</p>
Higher Education Qualification	<p>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)</p>	<p>NQF Level 8 At least NQF Level 7 in a field relevant to the senior management position</p>
Work-Related Experience	<p>Minimum of 5 years at middle management level</p>	<p>Minimum of 7 years at senior and middle management level, of which at least 2 years must be at senior management level</p>

MINIMUM COMPETENCY LEVELS FOR SENIOR MANAGERS

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

Municipal Minimum Competency Regulation

- New appointees must attain FM & SCM competencies within 18 months from date of appointment (the contract should state that failure to achieve the required minimum competency within the prescribed period will lead to the automatic termination of the contract).
- 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 2024 reporting** should include information on the relevant officials who were serving the municipality between July and December 2021.
 - **The July 2024 reporting** should include information on the relevant officials who were serving the municipality between January and June 2022.
 - Municipalities must submit LGSETA Statement of Results or Training Provider Affidavit for each official reported on for National Treasury to verify the relevant unit standards completed for the position.

Municipal Minimum Competency Regulation

- Regulation 11 of the amended Municipal Minimum Competency Levels regulation(gazette 41996) states:

“A municipality or municipal entity must deal with the failure by an official to attain the required minimum competency levels in the unit standards for each competency area within the timeframes set out in regulation 15, in accordance with the applicable labour legislation and policies and procedures of the municipality or municipal entity.”

Municipal Finance Management Internship Programme (MFMIP)

- The Municipal Finance Management Internship Programme guidelines states that an internship contract is a minimum of 24 months and a maximum of 36 months, to provide a continuous long lasting talent pipeline needed in Local Government sector in specialised financial management areas.
- Funded from the DoRA FMG Framework and own municipality MTREF budget.
- District and metropolitan municipalities must appoint a minimum of 3(*three*) interns and a minimum 5(*five*) interns for local municipalities.
- May only be achieved if the programme is institutionalised within municipalities' HR management policy adopted by Council.
- Interns must not be used as permanent employees while being paid a stipend. Interns must be appointed permanently to occupy permanent official positions.

Municipal Finance Management Internship Programme (MFMIP)

- Interns must be paid stipends and not salaries. Stipends are capped at R100K if funded solely from the FMG and municipalities may pay more if provided for in the relevant MTREF budget.
- Municipalities are encouraged to create positions within the BTO during the internship period in order to absorb interns at the end of their contract **OR** provide new unemployed graduates the opportunity to obtain skills and experience.
- BTO Organograms can be changed to accommodate the absorption. This requirement must be table to Municipal Council for approval.
- The above may assist in providing surety and continuity to interns whilst building municipal capacity in a sustainable manner.
- Proper mentorship, coaching and on-going assessment at the core of the success of this model.

Municipal Finance Management Internship Programme (MFMIP)

- **MFMIP Contract Extensions:**

- The internship contract ends on the date stipulated on the contract signed, where National Treasury has not granted permission for an extension.
- Should a municipality wish to extend an intern's contract beyond the initial contract 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.
- The National Treasury extends contracts by 12 months. If the municipality would like to extend a contract by less the 12 months, the intern will have to be paid from the municipality's MTREF.

Municipal Finance Management Internship Programme (MFMIP)

- Should a municipality wish to terminate an internship contract within the contract period, the municipality is expected to notify the National Treasury as the transferring department.
- Municipalities should continue to monitor and strengthen the following elements of MFMIP namely:
 - covering work rotation plans,
 - mentoring and performance assessment plans,
 - **Compulsory Training for Interns:**
 - MFMA Interactive Learning,
 - Municipal Finance Management Programme(MFMP),

Municipal Finance Management Internship Programme (MFMIP)

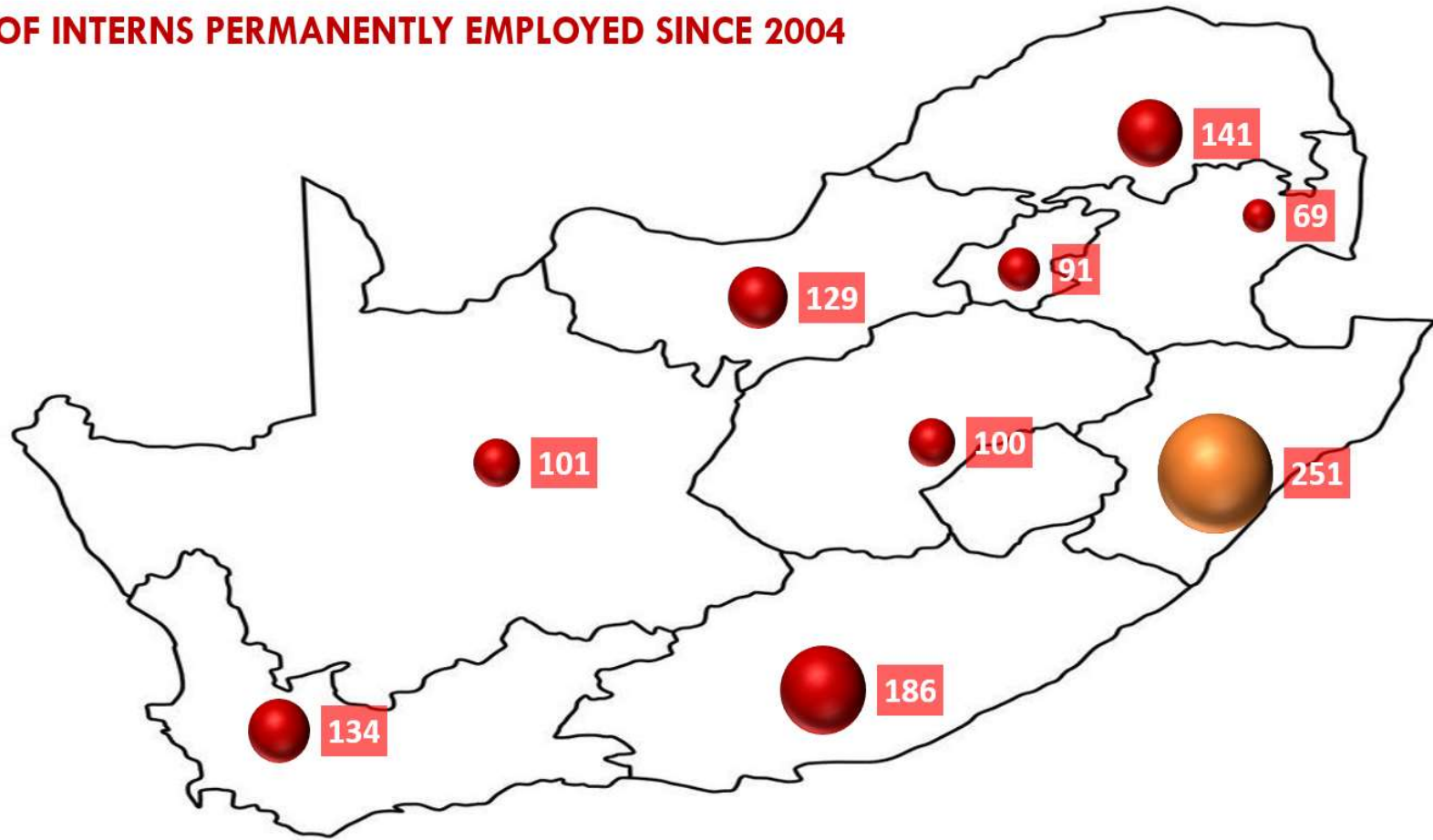
- **Reporting on the implementation of the MFMIP:**
 - Quarterly.
 - Interns are expected to complete the reporting templates before their last day. The municipality is still required to report on the Intern as a stipend was paid to the intern during the quarter through the FMG.
 - Performance information on the minimum competency levels and internship programme is linked to the continued FMG grant allocation.

Municipal Finance Management Internship Programme (MFMIP)

	Number of Interns 2021-22			
	Q1 (July - Sept)	Q2 (Oct - Dec)	Q3 (Jan - Mar)	Q4 (Apr - Jun)
Eastern Cape	182	185	185	186
Free State	96	100	100	100
Gauteng	88	91	87	91
Kwazulu-Natal	245	245	245	251
Limpopo	139	141	141	141
Mpumalanga	99	95	84	69
Northern Cape	121	108	104	101
North West	129	129	129	129
Western Cape	111	134	134	134
Total	1210	1228	1209	1202

Municipal Finance Management Internship Programme (MFMIP)

NUMBER OF INTERNS PERMANENTLY EMPLOYED SINCE 2004



Municipal Minimum Competency Regulation - Challenges

- Conditions of the FMG not adhered to;
- Officials not completing the required relevant unit standards for their position;
- Reporting on municipal entities not included;
- Municipal Council not exercising Regulation 11 of the amended Municipal Minimum Competency Levels regulation(*gazette 41996*);
- Lack of knowledge of the Regulation;
- Inaccurate information submitted;
- Late or non-submissions;

Municipal Finance Management Internship Programme - Challenges

- Lack of knowledge of the FMG Framework and MFMIP Guidelines;
- Interns exceeding the internship period with no contract extensions approvals from National Treasury or prospects of permanent employment;
- Municipalities not allowing interns to complete the Compulsory Training;
- Lack of Rotation within the BTO;
- Inaccurate information submitted;
- Late or non-submissions;

THANK YOU