
MEDIA STATEMENT

MINIMUM COMPETENCY LEVELS FOR MUNICIPAL OFFICIALS EFFECTIVE FROM OCTOBER 2015

Background

The financial management reforms in municipalities were introduced in 2003 with the enactment of the MFMA. Government had committed to a phased implementation approach mindful of the need to ensure that we build a capable state consistent with the constitutional principles and enabling frameworks.

Municipalities spend just over R250 billion rand annually, of this over R100 billion is provided by National government grants, conditional and unconditional for use on goods and services, infrastructure, administration, salaries and governance programmes all geared towards service delivery. This has resulted in a reform programme that gradually and incrementally introduced changes to the budgeting system, grant system, accounting and reporting system, among others, whilst at the same time recognising the different types of municipalities and their different stages of development. This is achieved by building institutions of government able to deliver services to all of our people.

In order to ensure that we modernise and professionalise the financial management in municipalities, in keeping with the principles of accountability, transparency, effective and efficient utilisation of public resources, the minimum competencies have been regulated for officials responsible for financial and supply chain management in 2007. The regulations cover the following aspects for the relevant financial and supply chain management positions: minimum higher education qualifications; work-related experience, core managerial and occupational competencies and the financial and financial and supply chain management competencies that the relevant municipal officials should have to enable them to discharge their responsibilities under the MFMA and the related reforms. These minimum competency levels also seek to professionalise the local government sector to make it a career choice for talented officials and to some extent mitigate some of the root causes of poor financial management and service delivery. Affected municipal officials had 8 years to attain the prescribed requirements.

Implementation of minimum competency requirements regulation

In preparation for the implementation of these regulations, the National Treasury and the provincial Treasuries, including other stakeholders across government undertook financial and capacity building to support municipalities to comply with these requirements.

A structured training programme was also introduced in support of the minimum competency requirements for existing and new incumbents in the municipal sector. Furthermore, a graduate internship programme was also introduced to build the talent pipeline to mitigate the shortage of skilled financial management personnel within municipalities. It is also important to note that additional financial resources were made available to municipalities in the form of Financial Management Grant over the medium term amounting to just over R800 million. This was augmented by additional funding from the donor community, LGSETA and municipal own resources.

Since introduction of this reform National Treasury has extended the deadline for full implementation twice, namely; from 1 July 2014 and 30 September 2015 to give officials and municipalities enough time to comply.

The database compiled by National Treasury on the levels of compliance indicates that over 9700 municipal officials have to date, embraced the regulations with varying levels of compliance under the financial management and SCM competency levels. The details of compliance levels can be obtained directly from municipalities as employers. This number includes other lower level officials with financial management responsibilities not immediately affected by these requirements such as your clerks and financial management interns, among others.

Minister of COGTA, Hon. Pravin Gordhan and Minister of Finance, Hon. Nhlanhla Nene have after consultation with the respective MECs and Premiers agreed that no further extension will be granted.

The process that Municipal Councils as employers can follow to enforce these requirements should be consistent with the Labour Relations Act, Municipal Systems Act as amended, and Performance Regulations of 2006 as amended and supporting regulations, the MFMA, Municipal Regulations on Minimum Competency Levels, Gazette 29967 of 15 June 2007 and the MFMA Exemption Notice of March 2014.

Municipal Councils will be supported to manage enforcement of these requirements in line with the given legislative framework.

Issued on behalf of National Treasury & Cooperative Governance and Traditional Affairs

Date: 30 September 2015