



national treasury

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Guideline for Municipal Competency Levels: Accounting Officers

Municipal Regulations on Minimum Competency Levels

issued in terms of the

Local Government: Municipal Finance Management Act,
2003

Introduction

This guideline is one of a series to explain the *Local Government Municipal Finance Management Act, 2003: Municipal Regulations on Minimum Competency Levels* for accounting officers, senior managers, finance officials, and other officials responsible for supply chain management of municipalities and municipal entities. Sections 83, 107 and 119 of the MFMA require officials to meet prescribed competency levels in financial and supply chain management and should be read with the Municipal Regulations on Minimum Competency Levels. This guide also complements the performance management regulations issued under the Municipal Systems Act by the Department of Provincial and Local Government.

Minimum competencies: accounting officers

Competencies required of every accounting officer of a municipality and municipal entity must be understood within the broader context of the MFMA. Roles and responsibilities are assigned to the accounting officer throughout the MFMA. Chapter 8 contains specific responsibilities in this regard, that should be noted.

The Regulations require the accounting officer to meet minimum competency requirements in the four categories below and each is discussed further in this guideline:

- Financial and supply chain management competencies, as prescribed in the Regulations and described in these guidelines (see table)
- Core managerial and occupational competencies, as described in the Municipal Performance Regulations issued in terms of the Municipal Systems Act
- Higher education qualification at NQF Level 6 or a Certificate in Municipal Financial Management
- Minimum five years work experience at a senior management level

Financial and supply chain management competencies

Generally speaking, the financial and supply chain management skills required of officials are categorised into 11 competency areas, they are:

1. Strategic leadership and management
2. Strategic financial management
3. Operational financial management
4. Governance, ethics and values in financial management
5. Financial and performance reporting
6. Risk and change management
7. Project management
8. Legislation, policy and implementation
9. Stakeholder relations
10. Supply chain management
11. Audit and assurance

The table contained within this guideline provides a comprehensive guide to the knowledge and skills required of the accounting officer to effectively implement the MFMA, in each of the 11 competency areas. The knowledge and skills are drawn directly from the MFMA and the roles and responsibilities assigned to the official. The table has been used to identify relevant Unit Standards on which the Regulations are based.

The Regulations prescribe Unit Standards (US ID) that match the skills and knowledge required in respect of each competency area. In some cases a suitable Unit Standard was

not available hence there may be some competency levels without a standard shown. For example the accounting officer has no project management or audit and assurance Unit Standards prescribed. The table however, still provides guidance on the required skills and knowledge and in time Unit Standards will be developed to address any gaps. It is important therefore, to read both the Regulations and these guidelines together to ensure officials are appropriately skilled for their positions.

Unit Standards referred to in the Regulations are registered by the South African Qualifications Authority (SAQA) and form part of the following higher education qualifications:

- The Certificate in Municipal Financial Management (Qualification ID No. 48965)
- National Diploma: Public Finance Management and Administration (Qualification ID No. 49554)

The Unit Standards specify minimum training outcomes and provide guidance on the specific abilities that the official must demonstrate.

Core managerial and occupational competencies

In addition to financial and supply chain management competencies, accounting officers are required to have the core managerial and occupational competencies, as described in the Municipal Performance Regulations. Further information on and queries relating to the Municipal Performance Regulations can be obtained from and should be directed to the Department of Provincial and Local Government.

Higher education qualifications

An accounting officer must have or attain by 1 January 2013 a higher education qualification that is at least at NQF level 6.

Foreign qualifications obtained outside the Republic of South Africa and qualifications that have not been accredited by the South African Qualifications Authority (SAQA) held by existing officials and applicants for new positions must be submitted to SAQA for evaluation.

“NQF” refers to the National Qualifications Framework prescribed by regulations issued in terms of the South African Qualifications Authority Act, 1995 (Act 58 of 1995). The following table provides examples of qualifications within the various NQF levels and should be used as a guide only. The criteria for determining the NQF level of qualifications is available on the SAQA website (see below for contact details).

NQF	Bands	Examples of Qualifications
8	Higher education and training	Doctorates and research masters
7	Higher education and training	Higher degree: Honours, postgraduate certificate & diploma
6	Higher education and training	First three-year degrees & higher diplomas
5	Higher education and training	Two year diplomas and occupational certificates
4	Further education and training	High School/College/NGO certificates/Grade 12
3	Further education and training	School/College/NGO certificates
2	Further education and training	School/College/NGO certificates
1	General education and training	Grades 4-9, ABET 1-4

Work related experience

Accounting officers must be able to demonstrate a minimum of five years work related experience at a senior management level. Regulation 1 contains a definition of senior management level.

Where an official claims previous work related experience outside the local government sphere the municipality or municipal entity will need to evaluate past work experience to ensure it is indeed substantially similar to the local government sphere. Experience should be verified by contacting past employers, obtaining copies of job descriptions and viewing examples of past work where appropriate.

Implementation of the Regulations

When the regulations become effective, there will be existing accounting officers in municipalities and municipal entities that do not meet the prescribed competencies. The municipality or entity must ensure that the competencies of existing officials are assessed promptly in order to identify and address gaps. Where an existing official does not meet the prescribed higher education qualification and/ or required minimum competency level in the required unit standards, he/ she should enrol for appropriate SAQA recognised qualifications and address all other gaps on or before 1 January 2013.

The municipality and municipal entity may only recruit new accounting officers that meet the prescribed financial and supply chain management competencies, higher education and prior experience requirements. During the implementation period however, new officials that do not meet the prescribed competency levels may be recruited provided the official's continued employment is subject to a condition that the official attains the requirements no later than 1 January 2013. This will require the official to attain the higher education qualification and the required minimum competency level in the required Unit Standards for each competency area on or before 1 January 2013.

After 1 January 2013 no person may be employed that does not meet the requirements of the Regulations.

Performance agreements

The attainment of prescribed competencies and qualifications should be incorporated into the job description and evaluation criteria as reflected in the annual performance agreement of existing and any new accounting officer of a municipality or municipal entity. When doing so it is important to consider the following:

- The development plan and learning pathway of the accounting officer should be reflected in his or her annual performance agreement to ensure that existing competency gaps are met within the prescribed timeframes;
- New candidates applying for the position of accounting officer must have their competencies assessed in accordance with the Regulations prior to their appointment. Any advert to invite applications for this position should make reference to the required competencies for this position.

Assessment of competency levels

All assessments of competencies must be undertaken by assessors accredited by the Local Government Sector Education Training Authority (LGSETA) in terms of SAQA guidelines and NQF-registered Unit Standards and criteria.

SAQA provides guidelines for the assessment of NQF-registered Standards and criteria for the registration of assessors. Officials in possession of qualifications obtained outside the Republic of South Africa will have to submit their qualifications to SAQA for evaluation.

LGSETA can be contacted as follows		SAQA can be contacted as follows:	
Website	www.lgseta.co.za	Website	www.saqa.org.za
Postal address	Box 1964 Bedfordview 2008	Postal address	SAQA Postnet 248 Private bag X06 Waterkloof, Pretoria 0145
Physical address	4/6 Corporate Park Building, 4 th floor Skeen Boulevard Bedfordview 2007	Physical address	1067 Acadia St Hatfield 0083
Telephone numbers	011 456 8574 (reception) 011 450 4948 (fax)	Telephone numbers	012 431 5000 (reception) 012 431 5147 (fax) 086 010 3188 (help desk)

Monitoring and reporting competency levels

The accounting officer is responsible to monitor and take all necessary steps to ensure compliance with the Regulations, including regular reporting.

Each municipality is required to furnish half yearly implementation returns to the National Treasury and relevant provincial treasury for the period ending 31 December and 30 June. The return is to be in the format of the Schedule to the Regulations and, where applicable, include consolidated information on all its municipal entities. The consolidated returns are to be furnished by no later than 30 January and 30 July respectively. The annual report of the municipality must reflect the information as at the end of the financial year to which it relates.

Municipal entities must submit the return in the Schedule to its parent municipality (by no later than 20 January and 20 July) in order for the parent to consolidate the information and meet its reporting obligations. The annual report of the municipal entity must reflect the information as at the end of the financial year to which it relates.

Use of the table

General: The following table provides guidance on the implementation of the Municipal Regulations on Minimum Competency Levels and will assist with the interpretation of the financial and supply chain management skill levels and areas of competency of the specific position. The table must be read in conjunction with the Regulations.

Municipal Entities: In applying the table below, unless indicated otherwise, a reference to a municipality, a municipal council, a mayor (or executive mayoral committee) or an accounting officer (the municipal manager) must be read as referring to a municipal entity, the board or directors of a municipal entity, the chairperson of the Board of Directors of a municipal entity or the accounting officer (chief executive officer) of a municipal entity, respectively.

In applying the table below, unless indicated otherwise, a reference to a municipality's integrated development plan (IDP) must be read as referring to a municipal entity's strategic

plan or strategic business plan and a reference to a municipality's service delivery and budget implementation plan (SDBIP) must be read as referring to a municipal entity's service delivery agreement (SDA) with the parent municipality.

Table: Description of competency areas for the Accounting Officers in municipalities and municipal entities

Competency area	Competencies required	Knowledge and Skills
<p>1. Strategic leadership and management</p>	<p>The ability to lead service delivery systems of a complex nature and to manage the achievement of municipal strategies and goals.</p>	<ul style="list-style-type: none"> • Providing visible, supportive & effective leadership across a municipality. • Motivating and empowering staff to deliver on municipal strategies and goals. • Fostering a positive and creative management culture. • Aligning municipal strategies and goals with national and provincial policies and within the district. • Managing and overseeing implementation of an effective performance management system across the municipality. • Utilising strategic planning methods and tools • Ensuring that the municipality's service delivery is based on <i>Batho Pele</i> principles of government
	<p>The ability to formulate and influence short, medium and long-term service delivery plans to deliver on municipal strategies and goals.</p>	<ul style="list-style-type: none"> • Providing direction and contributing to the development and review of credible plans including the integrated development plan (IDP) and service delivery and budget implementation plan (SDBIP). • Aligning municipal strategies and goals across the functional areas of the municipality. • Assessing the financial and non financial implications of plans and municipal strategies and goals. • Assessing and monitoring the impact of financial and non-financial changes on plans including national and provincial policy statements and changes. • Implementing plans within the local government legal framework. • Identifying and managing risk in plans. • Based on the past and current performance and financial position of the municipality, advise on municipal plans and strategies and goals.
	<p>The ability to provide supportive leadership to the municipal council and senior management team.</p>	<ul style="list-style-type: none"> • Working closely in conjunction with the senior management team to support the mayor and/or executive mayoral committee and/or municipal council. • In conjunction with the senior management, contributing and advising on policy objectives to ensure clear purpose and direction. • Evaluating and reporting to the mayor and/or executive mayoral committee and/or the municipal council on the alignment and achievement of strategies and goals in respect of activities, service delivery and performance. • Formulating, in conjunction with the municipal council and senior management team, a clear vision, mission and strategies and goals. • Establishing a culture of learning within the municipality.
	<p>The ability to develop and maintain strategic alliances with various stakeholders.</p>	<ul style="list-style-type: none"> • Developing and maintaining strategic alliances within the cooperative governance framework. • For the purpose of achieving the Constitutional mandate of local government, developing and maintaining strategic alliances with organisations and bodies outside government. • Communicating the municipality's mission and vision to various stakeholders

Competency area	Competencies required	Knowledge and Skills
2. Strategic financial management	The ability to guide the management of an effective, economic and efficient finance function, supported by effective financial management policies and practices.	<ul style="list-style-type: none"> • Knowledge of and understanding public sector financial management • Knowledge and practical use of information technology and software, including PowerPoint, Excel and Word to support the financial management function • Good verbal and written communication and presentation skills, excellent interpersonal relation and human resource management skills, negotiation skills and the ability to share knowledge and promote a learning environment • Formulating and implementing finance strategies, which enhance good financial management and decision-making practices across the municipality. • Developing and implementing financial policies and systems to ensure efficient and effective financial administration and control. • Developing, implementing and maintaining financial management guidelines, financial instructions, credit control procedures, debt collection and related financial policies. • Managing the control of assets according to policies and procedures. • Managing and overseeing implementation of an effective performance management system within the finance function. • Overseeing the financial management, tax implications and performance of service delivery mechanisms (internal and external (including municipal entities in the case of a municipality)) and outsourced service agreements.
	The ability to forecast revenue and expenditure and assessing the impact thereof on a municipality's financial position and performance.	<ul style="list-style-type: none"> • Preparing multi-year revenue and expenditure forecasts aligned with the strategic plans and budget and advising the impact thereof on service delivery, performance and financial position. • Developing sustainable strategies to address revenue shortfalls in alignment with strategic plans.

Competency area	Competencies required	Knowledge and Skills
3. Operational financial management	The ability to guide the commissioning and operation of financial systems.	<ul style="list-style-type: none"> • Formulating specifications, commissioning and overseeing the maintenance of appropriate and accurate financial operating systems, including the areas of debt, cash, investment-, asset and liability management, revenue management expenditure management, audit- and analytical requirements and statutory deductions. • Generating, regular reporting, measuring and monitoring of financial information to ensure financial control and to measure and monitor performance. • Ensuring adequate control of financial operating systems. • Through the use of financial operating systems, analyse, evaluate and report on the financial position, borrowings and performance of the municipality and how that impacts on the implementation of the budget and service delivery and budget implementation plan (SDBIP). • Determining requirements for in-house or outsourced or shared service agreements for the operation of financial systems. • Regular review of the efficiency and effectiveness of financial operating systems to align with the changing needs of the municipality.
	The ability to maintain sufficient working capital (cash flow/short-term liquidity) to meet the needs of the municipality.	<ul style="list-style-type: none"> • Monitoring the effects of changes, including legislation, inflation and resource allocations, on the working capital. • Prioritising working capital to align with strategies and goals. • Monitoring and reporting on working capital, including how that affects investment options, revenue and debt collection. • Monitoring and reporting, through analysis, the implications of borrowing and the significance thereof to service delivery programmes and possible influences on the financial markets. • Applying 'best practice' risk management practices to the management of working capital.
	The ability to guide and oversee the budget preparation and implementation process	<ul style="list-style-type: none"> • In the case of a municipality: <ul style="list-style-type: none"> ○ Advising the mayor on the time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and the annual review of the IDP, budget related policies and related consultative processes. ○ In conjunction with the mayor ensuring that the budget process aligns the budget and related budget policies to the integrated development plan (IDP) and service delivery and budget implementation plan (SDBIP) of the municipality • In the case of a municipal entity: <ul style="list-style-type: none"> ○ Advising and supporting the board or directors on the budget process and annual review of related policies and related consultative processes with the parent municipality. This includes the alignment of the entity's budget with its strategic plan and the service delivery agreement (SDA) and the integrated development plan (IDP) of its parent municipality. ○ Ensuring the proposed budget is submitted to the parent municipality and that any recommendations of the council of the parent municipality are considered by the board of directors prior to approval of the budget.

Competency area	Competencies required	Knowledge and Skills
3. Operational financial management (cont.)		<ul style="list-style-type: none"> • Overseeing the preparation, adoption and implementation of the budget and providing support to the mayor or board of directors throughout the budget process • Ensuring compliance to the legislative framework governing budgets and formats. • Knowledge of financial planning, taxation, budgeting and forecasting and the interrelation thereof.

Competency area	Competencies required	Knowledge and Skills
<p>4. Governance, ethics & values in financial management</p>	<p>The ability to lead, establish and implement good governance in the municipality.</p>	<ul style="list-style-type: none"> • Establish clear roles and responsibilities, separation of powers and regular reporting lines for all role players within the municipality to ensure transparency and accountability. • Knowledge and understanding of governance and ethics in financial management, embodied in the King Report on Corporate Governance, as it applies to the local government legal framework. • Promoting the generation and sharing of knowledge and learning to enhance the collective knowledge, capacity and skills of officials and councillors or directors • Establish and oversee the formulation of codes of conduct for all role players within the municipality, which shall as a minimum include financial management, supply chain management and the codes of conduct set out in the Local Government: Municipal Systems Act. • Establish and oversee the implementation of systems to encourage and enforce good governance, ethics and the codes of conduct. These systems could include mechanisms to report misconduct, fraud, corruption, favouritism and non-compliance with legislation and disclosure of conflicts of interest, inducements, rewards, gifts, hospitality and favours. Ensuring that investigations are conducted within 30 days of discovery of allegations and that cases that may constitute a criminal offence are reported to the South African Police Service. • Ensuring that codes of conduct, roles and responsibilities and reporting lines are clearly communicated, understood and observed by all role players throughout a municipality. • Leading by example and promoting high standards of ethical behaviour by acting with fidelity, honesty, integrity and in the best interests of the municipality and maintaining the confidentiality of information.

Competency area	Competencies required	Knowledge and Skills
5. Financial and performance reporting	The ability to guide and manage the financial reporting process of the municipality.	<ul style="list-style-type: none"> • Knowledge and understanding of the legislative framework governing financial reporting in local government, including generally recognised accounting practice (GRAP). • Guide and manage the timely preparation, submission and publication of statutory reports, including the annual financial statements, annual report and in-year reports (e.g. in the case of a municipality monthly (section 71), mid-year (section 72), withdrawals from bank accounts (section 11(4)) etc) • Guide the preparation and publication of the council's oversight report (section 129). • Ensure that the content of financial reporting is specific (unambiguous), measurable, accurate and valid, reliable and time specific. • Analyse and evaluate the financial reports to understand the impact on, and to guide planning in respect of, strategies and goals including the financial position, borrowings, performance, implementation of the annual budget and service delivery and budget implementation plan (SDBIP), tariff-, rates-, credit control, debt collection-, supply chain management-, and other relevant policies.
	The ability to guide and manage the performance reporting process of the municipality.	<ul style="list-style-type: none"> • Knowledge and understanding of the local government legislative framework governing performance reporting. • Establishing, implementing and maintaining a performance management system. In the case of a municipal entity also regularly monitoring, measuring, reviewing and reporting its performance to its parent municipality. • Guide and manage the timely preparation, submission and publication of statutory reports relating to performance. For example the annual performance report (section 121(3) of the MFMA), mid year performance reporting (section 72 of the MFMA) of a municipality and in the case of a municipal entity, an assessment of the entity's performance (section 121(4) of the MFMA), mid year performance reporting (section 88 of the MFMA) • Ensure that the content of performance reporting is specific (unambiguous), measurable, accurate and valid, reliable and time specific. • Analyse and evaluate the performance reports to understand the impact on, and to guide planning in respect of, strategies and goals including the implementation of the budget and service delivery and budget implementation plan (SDBIP) and policies. • Analyse and evaluate the performance of: <ul style="list-style-type: none"> ○ service delivery mechanisms (internal and external) and outsourced service agreements against performance targets, and ○ in the case of a municipality, of each of its municipal entities against the service level agreement and performance targets for that entity,

Competency area	Competencies required	Knowledge and Skills
5. Financial and performance reporting (cont.)		<ul style="list-style-type: none"> • Ensuring that there is a link between the performance indicators and targets and the integrated development plan (IDP), service delivery and budget implementation plan (SDBIP) and the individual performance agreements of all senior managers and officials. • Ensure the remuneration and appraisal system is performance based and that all performance bonuses are only awarded after consideration of actual performance of the municipality against the performance targets for a specific period. • Regularly benchmark the performance of the municipality against the performance of similar and/or comparable municipalities to improve and guide in the planning and delivery of services.

Competency area	Competencies required	Knowledge and Skills
6. Risk and change management	The ability to understand risk and guide the management of risk for the municipality.	<ul style="list-style-type: none"> • Guiding and ensuring the establishment and maintenance of effective, efficient and transparent systems of financial and risk management and internal control • Guide and oversee the implementation of a risk management- and fraud prevention plan • Overseeing regular risk assessments and ensuring that risks are prioritised according to highest versus lowest potential risk • Managing the mitigation of risks for the municipality or municipal entity as a whole in accordance with the prioritisation of risk • Ensuring that the management of risk (including the possible transfer of risk) includes consideration of potential risks relating to mechanisms for service delivery (both internal and external), outsourced service agreements. In the case of a municipality it must also consider its municipal entities and Public-and-Private Partnerships (PPPs) and the transferring of funds to organisations and bodies outside government • Ensuring that the internal audit activities are prioritised according to the risk exposure • Analysing the reports of the internal audit unit and the audit committee when considering risk and risk management.
	The ability to guide the management of change for the municipality.	<ul style="list-style-type: none"> • Understanding the local government environment (including legislative, social, political and economic) and the ability to analyse the financial and non-financial impact of changes in the external and internal environment that could affect the municipality/ municipal entity and recognising when this necessitates change • Guide and oversee the implementation of change management • The ability to be proactive and find creative and innovative solutions to change • Consultation with and management of various stakeholders particular to the change • Managing and resolving any resistance to change • Aligning strategies and goals with the need for change

Competency area	Competencies required	Knowledge and Skills
7. Project management	The ability to provide strategic direction and guide overall project management for the municipality	<ul style="list-style-type: none"> • Knowledge and understanding of project budgeting, human resource management, change management, negotiation skills, service delivery mechanisms (internal and external) and outsourced service agreements (including in the case of a municipality Public-and-Private Partnerships) and the legal framework governing the various services • Knowledge and basic understanding of the operation and technical workings of local government services and facilities • Analysing, evaluating and selecting project proposals. This includes aligning the selection of projects and project outcomes with the integrated development plan (IDP), the budget and service delivery and budget implementation plan (SDBIP) • Ensuring an analytical and methodical structuring of projects and project planning. This is to ensure adequate control over projects and the efficient, effective and economic implementation and completion thereof to a high quality and standard • Oversee and manage the establishment of project- and contract management capacity within the municipality. This includes building capacity through appropriate training and the allocation of resources. • Ensuring clear lines of accountability, regular monitoring, measuring and reporting on the performance of projects and contracts, within the various service areas, including to the accounting officer and to the council or the board of directors • Ensuring regular reporting by external mechanisms and all contractors and service providers including the availability of adequate information for the municipality to meet its statutory reporting obligations • Establishing and maintaining a contract register • Establishing a contract management process to ensure that, prior to their commencement, contracts and amendments to contracts are in writing, include appropriate contract terms and conditions (including section 116 contract requirements (MFMA)) and contain performance based contract remuneration • Oversee the implementation of project plans across the municipality • Contributing to the resolution of problems and disputes as and when required • Supporting the municipal council and mayor of the municipality or the board of directors of a municipal entity in consulting and securing stakeholder and community support for and involvement in projects where relevant.

Competency area	Competencies required	Knowledge and Skill
8. Legislation, policy and implementation	The ability to guide, support and contribute to the formulation of policy, and in the case of a municipality also By-laws	<ul style="list-style-type: none"> • Knowledge and understanding of the municipality's environment (internal and external), the Constitution, national and provincial legislation and policy, and the legislative framework governing local government as well as the municipality's By-laws and policies • Excellent verbal communication and writing skills and an ability to research and analyse complex information • Guiding and supporting the municipal council with the process of adopting policies and making By-laws. This includes advising council on the financial and non-financial impact of proposed policies and By-laws OR in the case of a municipal entity guiding and supporting the board of directors with the process of adopting policies including advising on the financial and non-financial impact of proposed policies • Overseeing and managing the administrative aspects of the process for adopting policies and in the case of a municipality also making By-laws. • Conceptualising, formulating and drafting policies and in the case of a municipality also By-laws in alignment with the integrated development plan (IDP), the Constitution, national and provincial legislation and policy, and the legislative framework governing local government, having regard to cooperative government. This process should include consideration of and alignment with existing policies and By-laws and be within budget constraints.
	The ability to implement, manage and oversee the implementation of legislation and policy	<ul style="list-style-type: none"> • Implementing and overseeing the implementation and enforcement of policies and By-laws • Establishing and maintaining a register of non-compliance with legislative requirements and regularly reporting these to the municipal council and other role players. For example, instances of non-compliance with the MFMA are required to be reported to the National Treasury • Regularly monitor and report to the municipal council on the implementation of policies and compliance with legislative requirements • Regularly reviewing and, where necessary, proposing to the municipal council amendment of policies and in the case of a municipality also By-laws to ensure their relevance and alignment with the strategies and goals • Monitor and ensure enforcement of municipal By-laws, including penalties and fines for non-compliance, within the municipality's area of jurisdiction • Regularly consider the impact of amendments to the Constitution, national and provincial legislation and policy, and the legislative framework governing local government on the municipality's By-laws and policies

Competency area	Competencies required	Knowledge and skills
9. Stakeholder relations	The ability to guide, establish and maintain appropriate stakeholder relations.	<ul style="list-style-type: none"> • Basic knowledge and understanding of stakeholders and recognising the varying relations required with stakeholders and the impact on the municipality and the municipality's impact on its stakeholders. • Establishing, guiding the establishment of and maintaining effective and relevant external stakeholder relations. This would include relations with the community, local businesses, public benefit organisations and other spheres of government including neighbouring municipalities and relations for purposes of external service delivery mechanisms, outsourced service agreements, etc and, in the case of a municipality, Public-Private Partnerships (PPPs). • Establishing, directing the establishment of and maintaining clear roles and responsibilities, service levels, reporting lines and communications for all its departments and across the municipality and in the case of a municipality also its municipal entities, to ensure effective and relevant internal stakeholder relations. • Establishing and maintaining good internal relations with the mayor or executive committee and the municipal council to support the municipal council's oversight role as it relates to the administration and day-to-day operational activities of the municipality. This would include regular reporting to and communication with the municipal council. • Ensuring stakeholder consultation (internal and external) and guiding the municipal council on stakeholder consultation as envisaged and required by the Municipal Systems Act and the MFMA. This includes managing stakeholder expectations.

Competency area	Competencies required	Knowledge and skills
10. Supply Chain Management	The ability to establish a fair, equitable, transparent, competitive and cost effective supply chain management function	<ul style="list-style-type: none"> • Knowledge and understanding of the legislative framework governing the supply chain management function (including the Municipal Supply Chain Management Regulations, the Preferential Procurement Policy Framework Act, 2000, etc) • Preparing and submitting to the municipal council or the board of directors of the municipal entity a supply chain management policy in accordance with the Municipal Supply Chain Management Regulations. This includes: <ul style="list-style-type: none"> ○ aligning the supply chain management policy of the municipal entity with the parent municipality's policy ○ annually reviewing the supply chain management policy and practices and proposing amendments to the municipal council or the board of directors, where appropriate • Promptly reporting any deviation of the supply chain management policy from the guideline standard to the municipal council, National Treasury and the relevant provincial treasury • Oversee and manage the establishment of supply chain management capacity, a Supply Chain Management Unit and a committee system (minimum bid specification-, bid evaluation- and bid adjudication committee). This includes building capacity through appropriate training and the allocation of resources. • In the case of a municipality, monitoring and guiding council to uphold the barring of councillor involvement in municipal tender committees (section 117 MFMA) • Delegating and monitoring delegations for supply chain management powers and duties in accordance with the Municipal Supply Chain Management Regulations. This includes establishing clear lines for regular reporting
	The ability to guide and oversee the supply chain management function	<ul style="list-style-type: none"> • Implementing and overseeing the implementation and enforcement of the supply chain management policy throughout the municipality to ensure supply chain management that is fair, transparent, competitive and cost effective • Establishing and maintaining registers to support the supply chain management function, including details of all tenders received and awarded, disclosure of sponsorships, inducements, rewards, gifts and favours, awards to close family members and persons in the service of the state, etc. This includes disclosure and reporting thereof (website, annual financial statements, etc.) • Ensuring and providing support for the resolution of supply chain management related disputes, objections, complaints and queries • Ensuring unsolicited bids are considered in accordance with the framework contained in the Municipal Supply Chain Management Regulations • Establishing and monitoring measures to combat abuse of the supply chain management system, fraud, corruption, favouritism and unfair and irregular practices

Competency area	Competencies required	Knowledge and Skills
11. Audit and Assurance	The ability to guide and oversee the establishment of an effective internal audit unit and audit committee	<ul style="list-style-type: none"> • Ensure an efficient and effective internal audit unit is established for the municipality or municipal entity in accordance with MFMA requirements. This includes building internal audit capacity through appropriate training and the allocation of resources • Overseeing the management of the internal audit unit including preparation of a risk based audit plan and an internal audit programme for each financial year. This includes ensuring that the levels of service required from the internal audit unit complies with section 165(2) of the MFMA and the Municipal Systems Act. • Advise and provide administrative support to council for the establishment of an audit committee for the municipality and any of its municipal entities and the appointment of members for such committee(s), in accordance with MFMA requirements. This includes advising council or the board of directors on the role of the audit committee in terms of section 166(2) of the MFMA • Providing administrative support and resources for the effective functioning of the audit committee. This includes ensuring access to the financial records and other relevant information of the municipality or municipal entity • Analysing the reports and advice of the internal audit unit and the audit committee and taking appropriate action
	The ability to support the audit process, in order to obtain the optimum level of assurance from the Auditor-General	<ul style="list-style-type: none"> • Through consistent and sound financial management, timely prepare and submit accurate annual financial statements for auditing and the annual report(s) for the municipality and/ or its entities to the Auditor-General (refer chapter 12 of the MFMA). In the case of a municipality with sole / effective control of a municipal entity this includes consolidated financial statements of the municipality and such municipal entities. • Providing appropriate administrative support to the Auditor-General and access to all relevant information required to conduct the audit. • Overseeing the management of communication with and access of the Auditor-General to the internal audit unit, audit committee and their reports. This is to ensure coordination between internal and external audit and to prevent a duplication of work • Ensuring and managing appropriate communication with the Office of the Auditor-General • During the audit, timeously responding to and managing the responses of various departments to audit queries and requests for additional information • Analysing the audit report and advice of the Auditor-General and taking appropriate action

Competency area	Competencies required	Knowledge and Skills
11. Audit and Assurance (cont.)		<ul style="list-style-type: none"> • Coordinating and ensuring the distribution, analysis and management response to the reports and advice of the internal audit unit, audit committee and external auditors, across the municipality or municipal entity • In the case of a municipality, for purposes of the oversight report (refer MFMA section 129), attending council and council committee meetings where the annual report(s) of the municipality and its municipal entities are discussed to respond to questions concerning the report. This includes submitting copies of the minutes of these meetings to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province • In the case of a municipality, publishing the oversight report, containing council's comment on the annual report(s) of the municipality and any of its municipal entities, within seven days of its adoption (section 129(3) of the MFMA) • The audit process provides the municipal council, the board of directors and stakeholders with the level of assurance that can be placed on finances of the municipality and/ or entity. The accounting officer should consistently ensure improvement of financial management practices of the municipality and/or municipal entities to strive to obtain the optimum level of assurance from the Auditor-General.