



## MFMA - Capacity Building and Training

This circular provides updated information, further to the contents of circulars 9, 17 and 24. Municipal officials are again reminded that they have until **2013** to comply with the Municipal Minimum Competency Regulations, Gazette 29967 of June 2007. Compliance with the regulations requires proper planning and resource allocation for officials to successfully complete the programme in improving financial management skills in all municipalities. All the detailed information can be viewed on the National Treasury website, [www.treasury.gov.za/legislation/mfma](http://www.treasury.gov.za/legislation/mfma)

The circular addresses the following:

- a) provides an update on the recently concluded process in increasing the number of training providers offering training aligned to the regulations;
- b) discusses the process and procedures of facilitation, assessment and issuance of certification for training successfully completed;
- c) alerts municipalities to the research into skills in municipal Budget and Treasury Office being undertaken by the National and provincial treasury at all municipalities;
- d) reminds municipalities of the information required to be provided in annual reports related to the abovementioned matters;
- e) discusses how municipalities may go about procuring services of a provider to deliver training on the unit standards; and
- f) discusses the Municipal Finance Management Internship Programme and its expansion to all municipalities to address skills gaps and to build financial management capacity in municipalities.

### Municipal Finance Management Programme, MFMP

The requirements of the regulations have been structured as the MFMP addressing all unit standards prescribed by the regulations and aligned to the qualifications at NQF Level 5, National Diploma: Public Finance Management and Administration, SAQA ID 49554 and NQF level 6, Certificate: Municipal Financial Management, SAQA ID 48965.

Furthermore, the required unit standards have been grouped into learning programmes for ease of compliance by the learner and delivery by the Education Training and Development (ETD) provider.

After an intense process with key stakeholders, a number of training providers have received accreditation or programme approval status from the LGSETA to undertake training of municipal officials on the MFMP. A list of these ETD providers is available on the National Treasury website (see “Training and Validation”).

Prior to commencement with the formal training, we strongly recommend that all officials undertake and conclude the freely available MFMA Interactive DVD Multimedia Learning programme (“MFMA Learning”). This background learning will assist officials in successfully completing their formal training. Municipal human resource practitioners should ensure that this learning is first completed before further training opportunities are availed to officials. Registration for this programme can be undertaken online on our website. For further information, please contact the MFMA learning administrator at [mfmalearning@treasury.go.za](mailto:mfmalearning@treasury.go.za).

## **Facilitation, Assessment and Moderation**

The ETD providers, will facilitate the process of learning and assessment towards the declaration of competence of learners. The declaration of competence will further be verified by the LGSETA prior to the endorsement and awarding of the certificate. The results will also be captured on the National Learner Record Database administered by the South African Qualifications Authority (SAQA). The prospective candidates will use this information as a record of achievement, and to access future opportunities through career development.

## **The Skills Survey of the Budget and Treasury Office (BTO)**

We have recently undertaken a survey to analyse the needs of the BTO within each municipality. The objective of this exercise is to determine the capacity and the extent of financial management skills gaps within the BTO. This skills survey will enhance the reports required in terms of regulation 14, and will be complimented by the work done by Occupationally Directed Practitioners (ODPs) and assist in further development needs of officials.

## **Reporting on the Municipal Regulations on Minimum Competency levels, Gazette 29967, June 2007**

We recommend that officials affected by the regulations review their existing qualifications and experience through an assessment conducted by appropriately qualified Occupationally Directed Practitioners, (ODPs) to determine the extent to which qualifications and experience meet the competency levels. ODPs are able to facilitate and perform work-based assessment.

This assessment should also be used to supply required information as per regulation 14 (2) (a) on reporting and monitoring competency levels using the MFMA

Implementation Report (Municipal Regulations on Minimum Competency Levels). This report can be found on our website under "Return Forms". This report should not only be sent to National and relevant Provincial Treasuries, but also published in the annual report of the municipality as per regulation 14 (2) (b).

## **Procurement of Services**

All municipalities are required to follow their SCM policy and procedures when procuring the services of ETD providers appearing on the National Treasury website.

ETD providers engaged in line with the competency regulations should be financed through municipal funds budgeted for this purpose, which can be supplemented by the Finance Management Grant. Training providers will be urged to offer reasonable and competitive pricing. We encourage municipalities to provide appropriate numbers thereby leveraging better discounts. Municipalities may include such training programmes to be a part of their Work Skills Plans for submission to the LGSETA. For more information, in this regard please contact LGSETA on telephone 011 456 8579 / 8570.

We are also working closely with all service providers to monitor uptake of the training and to be able to report on progress in this regard. The Treasury database on officials participating in the training will be updated on a regular basis.

## **Finance Management Grant and Capacity Building**

The Financial Management Grant (FMG) also provides funding in support of the internship programme, among others, and if you have not already taken advantage of this, please ensure you do so as soon as possible. You are advised to advertise in your local newspapers and other mediums of communications for such candidates and offer them an opportunity to serve as interns. The minimum number of graduate interns required per municipality is two individuals, however, we encourage you to offer this facility to as many unemployed graduates as you can afford. The scope for this programme is huge, covering all aspects of the MFMA, from budgeting, reporting, accounting, revenue, expenditure, supply chain, internal audits, and related aspects.

Interns are specifically encouraged to undertake structured learning by using the Municipal Finance Management learning programmes to assist them in future career development. This should ideally be supported by their Work Rotation Plans, focusing on the Budget and Treasury Office (BTO) activities.

As part of our monitoring of the intern programme and in order to assist us in maintaining an effective help desk for interns, we need to collect and verify information contained in our database. The "intern data form" is the tool to be used to provide us with the latest information on the interns, and can be found on our website under

“Training and Validation”, by clicking on “Internship Programme” to download the guidelines on the internship programme.

It is important that the form is completed accurately and fully, hence we have also attached a form to this Circular (Annexure A) that explains the exact information to be provided. We are aware that there have been submissions in the past and we will need to verify these against details that we have on our records. The form is to be completed and forwarded on the following occasions:

- The beginning of the internship (Section A,B,C,D);
- Change in contact details of interns (Section A only);
- Extension of internship agreement (Section D only);
- At the end of the internship (Section E only).

In a case where interns have already completed the programme or have been absorbed permanently in your municipality or elsewhere and we were never informed, we would appreciate it if the HR Manager or the Chief Finance Officer could provide us with the details required on the form under Section E; Completion of Internship programme.

## Conclusion

Building the capacity of officials requires detailed planning and the allocation of resources over multiple years. The municipal competency regulations require officials responsible for financial management at all levels to be qualified for their position by 2013. Given that some officials will be required to complete higher education qualifications to secure their present positions it is imperative that planning commence urgently.

The National Treasury will continue with the practice of regularly updating the website page with training opportunities, training providers and solutions to ensure the smooth implementation of the MFMA.

## Annexure

Annexure A: Guidelines on completing the Intern data form

## Contact

Please forward any queries related to the above matters to [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za) .

Kind Regards

**T. Pillay**

**Chief Director: MFMA Implementation Unit**

13 February 2009

---

**ANNEXURE A**

---

**Guidelines on completing the Intern data form**

The “intern data form” is the tool to be used to provide the latest information on the interns, and can be found on our website under “Training and Validation”, by clicking on “Internship Programme” to download the guidelines on the internship programme. Following is a short explanation of the areas that need to be completed.

**Section A: Intern Particulars**

This section relates to the personal details of the intern. It is important that all relevant fields be completed with the intern’s latest details. This section allows us to communicate with the interns and their mentors.

**Section B: Experience prior to Internship**

If the intern has any previous working experience prior to the Internship we would like to know about this. According to the guidelines on the internship programme, it is not a prerequisite that an intern has any experience.

**Section C: Intern Qualification Prior to Internship**

The Internship is meant for graduates in the fields of Accounting, Economics and Finance. Please complete which qualification you have, from which institution, the duration of time you took to complete and the date (ccyymmdd) it was completed.

**Section D: Employment Particulars**

This section relates to the details of the Internship, and is based on information that should be in the Internship agreement. For a guide on how the Internship agreement should be structured please refer to the internship guidelines. These details are essential in tracking the Internship and relating it to the performance and progress of the intern.

**Section E: Completion of Internship (ccyymmdd)**

At the completion of the Internship, whether due to expiry of contract, resignation of the intern, intern has received employment within the municipality or externally, we would like to be updated. In this section we would like to know when the contract ended and what qualifications or work experience did the intern acquire during the Internship.