Municipal finance management skills training programme

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Integrating Municipal Financial
Management Qualification (NQF Level 6)
into workplace learning activities

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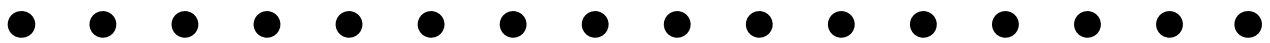gtz

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Acknowledgements

Municipal finance management skills training programme

LEARNER GUIDELINES AND LOGBOOK

Integrating Municipal Financial
Management Qualification (NQF Level 6)
into workplace learning activities

Name of learner . . . .

Cell . . . .

Municipality . . . .

Foreword

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The Municipal Finance Management Act (MFMA) aims to modernise financial management practices in the local government sphere by placing municipal finances on a sustainable footing in order for municipalities to deliver basic services. It creates a sound financial governance framework by clarifying roles and responsibilities of political office bearers and municipal officials.

Being mindful of capacity constraints, National Treasury has since 2003 supported municipalities through a number of initiatives, to build sufficient strategic management capacity at the local government sphere. Two such initiatives included the Municipal Finance Management Internship Programme and, in partnership with the Local Government Sector Training Authority, the development and subsequent registration of the Municipal Finance Management unit standards.

The unit standards registered on the National Qualifications Framework (NQF) by the South African Qualifications Authority are designed to address municipal finance management competencies identified within prescribed competency areas such as strategic leadership and management, strategic financial and performance management, operational financial management, and supply chain management. Corresponding learner guidelines have been developed to provide guidance to learners working towards the NQF-registered municipal finance qualification on how they should go about integrating training outcomes into workplace training to comply with skills development legislation and principles of outcome based training. In addition, a comprehensive logbook has been included for the purpose of recording workplace learning experiences.

The Municipal Finance Management Internship Programme was designed to provide learners holding higher education qualifications in finance and accounting with a logical training sequence founded on prescribed competencies and skills learning programmes outlined in these guidelines. It is envisaged that through workplace interaction with municipal officials and coaching by experienced municipal managers, learners will integrate formal training with workplace service-oriented activities.

Municipalities are mandated to utilise funding available at the Local Government Sector Training Authority to ensure the proper implementation of relevant credit bearing skills learning programmes. National Treasury and the Local Government Sector Training Authority consider municipalities to be a suitable environment within which skills in municipal financial management can be transferred to learners working toward higher education qualifications in municipal finance management. This requires a suitable workplace training environment, which consists of:

- well documented policies for the recruitment and development of learners
- the appointment of an official to take on the responsibility for the management of the learners at the workplace
- the use of an accredited (registered) education and training provider for the provision of the theoretical and practical components of the programme
- the evaluation of a learner's progress during and at the end of each skills learning programme

Being mindful of capacity constraints and past skills training practices, these learner guidelines are aimed at facilitating the integration of the already NQF-registered municipal finance management unit standards into workplace learning activities. It is expected that these guidelines will help the learners working towards NQF Level 6 Municipal Finance Management Qualification to attain a clear understanding of the way skills training programmes can be used to address skills gaps within prescribed competency areas.

Abbreviations

ASB	Accounting Standards Board
BEE	black economic empowerment
CCFOs	Critical Cross Field Outcomes
CFO	Chief Financial Officer
DORA	Division of Revenue Act
ERP	enterprise resource planning
ETP	educational training programme
ETQA	Education Training Quality Assurance
GRAP	Generally Recognised Accounting Practice
IDP	integrated development plan
IGFR	InterGovernmental Fiscal Relations
IS	information systems
IT	information technology
LGSETA	Local Government Sector Education and Training Authority
MFMA	Local Government: Municipal Finance Managment Act (Act No. 56 of 2003)
MFMIP	Municipal Finance Management Internship Programme
MIS	management information system
NQF	National Qualifications Framework
NT	National Treasury
PFMA	Public Finance Management Act
PPP	public-private partnership
SAQA	South African Qualifications Authority
SCM	supply chain management
SDBIP	service delivery and budget implementation plan
STP	skills training programme

Contents

Chapter 1
Introduction

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The skills training programme is based on one of the modules aligned to the NQF (National Qualification Framework) Level 6 Certificate in Municipal Financial Management. The relevant modules are outlined in **Chapter 3** of this document. A skills training programme offered on the basis of one of the modules, seeks to provide learners with an effective way of developing their career in municipal financial management.

> Learners who pursue this skills training programme diligently, with discipline and commitment, should find it a good way of fast-tracking their career in the local government sphere.

The skills training programme is designed to be flexible and learner-centred. It should enable the learner to use a mix of recognition of prior learning, workplace (on the job) learning, and formal training provided by various parties involved with capacity building.

The programme's flexibility requires the learner to be diligent and disciplined for the programme to be successful. These guidelines provide the learner with support and tools.

It is expected that the workplace coach will provide the learner with hands-on assistance. The coach is essentially a "catalyst" who facilitates and speeds up the learning process.

The effectiveness of the coach will be partially influenced by a learner with attributes such as:

Passion – shows high energy levels and eagerness to learn and enquire.

Attitude – has a positive attitude and desire to learn, as well as willingness to accept negative feedback.

Pro-activity – is able to take charge of the learning process and initiate steps.

Openness – suspends judgement, and does not have pre-conceived ideas that would impede learning.

Sense of humour – is able to enjoy the process of learning.

Learning can only happen as a result of the active involvement of the learner in the designed workplace and classroom training activities. The best coach and trainer cannot force a learner to work towards the competencies addressed by the relevant Unit Standards.

The skills training programmes (NQF Level 6) are based on a time allocation between theory training and workplace training. The exact workplace learning time allocation may depend on the workplace rotation plan prepared on the basis of an informed skills gap analysis. At least 50 per cent of the learning time should be through performance of workplace activities. For this reason, in certain cases, an adapted implementation approach can be applied.

Introduction

Chapter 2 highlights the importance of the coaching process and how success, in many spheres of life and not just in sport, is better ensured with coaching. The role of a coach in this skills training programme is discussed in **Chapter 8**.

In **Chapter 3**, you will find the outline of modules that can be used to inform the learning activities for each skills learning programme, the recommended time allocation for a module, and suggested hours for theory and workplace training. The chapter provides the information on the suggested formative assessment and the assignments the learner is required to complete during the practical work. The learner and the coach can vary the suggested, formative assessment activities, and assessments.

In **Chapter 4** the learner will find an outline that can be used to document formative assessment assignments attributed to the relevant learning units. The completion of formative assignments should be understood in the context of the workplace rotation plan reflected in **Chapter 5**.

In **Chapter 6** the general assessment strategy is explained. After each learning unit, the learner has to undergo a formative assessment with the workplace assessor or workplace coach. The formative assessment should reflect the learning process as a whole. For this reason, **Chapter 7** provides a framework for the evaluation of the technical and professional skills of the learners. The results of this evaluation will form part of a learner's portfolio of evidence. The learner will be required to complete a self-assessment checklist for this skills training programme (STP) as shown in **Chapter 9**.

The skills training programme outline is orientated toward the learning units, and provides information about the duration, the type of formative assessment, and the desired workplace learning activities. The outline is broad and can be customised according to the situation in the department. The learner must ensure that after each learning unit, evidence is generated to serve as a basis for formative assessment of the knowledge and competency acquired.

In **Chapter 10** the requirements for the preparation of a portfolio of evidence are explained. The learner is required to develop a portfolio of evidence to demonstrate the relevant competencies addressed by this skills training programme to the assessor.

Figure 1: Overview of skills training programme
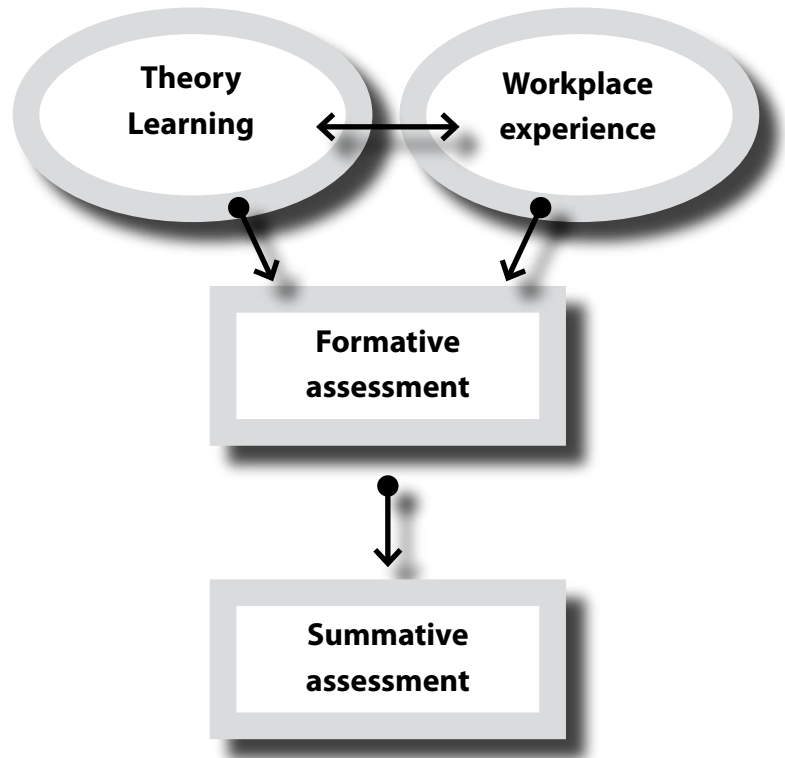
1.1 Work orientation and rotation

Through participation in the skills training programme, the learner should contribute to the day-to-day work of the department or project, if possible. This requires an informed workplace rotation plan that integrates specific learning outcomes drawn from the relevant unit standards.

1.2 Infrastructure

The learner must experience that he or she is part of a department. This also requires that at least basic infrastructure be provided, such as a desk, a chair, stationery, etc. Added to this, access to computers and the Internet might be required to fulfil certain tasks or to prepare for the formative or summative assessment.

Chapter 2
Importance of a workplace coach

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W e live in a world where skills are developed through the support of coaches. In the workplace, opportunities abound for effective coaching by supervisors and managers.

In skills development, all successful people recall how indebted they are to coaches and mentors who invested time and care to see to their growth.

Without coaches, there will be no stars. To be appointed a coach is an honour, and despite the stresses of life, when the job is satisfactorily performed, a coach gets ample rewards.

2.1 Coaching vs mentoring

In ordinary conversation, coaching and mentoring may be used interchangeably, but coaching complements mentoring; the two are not the same.

A coach trains and develops the employee to achieve required results. Coaching helps employees perform in the short term over a narrow range of attributes. Coaching is on the job and is focused on training.

A mentor seeks the continual development of an employee in a sustained manner over the long term, over a broad range of expertise. Mentoring may be off the job and is focused on the overall development of a learner.

For a more detailed discussion on coaching and mentoring, we strongly recommend the coach read the book by Marius Meyer and Leon Fourie (2004). *Mentoring and Coaching – Tools and techniques for implementation* (Randburg: Knowres Publishing (Pty) Limited).

2.2 Attributes of coaching

According to Meyer and Fourie (2004), coaching has the following attributes:

- Systematic and planned process of skills transfer
- Clear and direct guidance is provided by the coach
- Those being coached learn and develop specific skills, thus becoming competent
- The skills are applied and implemented in the workplace
- The performance outcomes are clearly defined and achieved over a short period of time, normally equivalent to the duration of the training.

2.3 Benefits of coaching

While most people appointed to coach are motivated by selfless service, coaching also offers great benefits to the coach.

Some examples of the benefits to the coach are:

- provision of extra avenues to exercise supervisory and leadership skills

- satisfaction in seeing the learner perform satisfactorily

- learning from the learners

- developing and building deeper relationships

- extra opportunity to use and appreciate own experience and expertise

- senior management and peers tend to respect a coach.

2.4 Coaching tools

To guide the coaching process, several tools are needed and these will have to be agreed between the learner and the coach. In addition to the workplace rotation plan (**Chapter 5**), the self-assessment checklist (**Chapter 9**), and portfolio of evidence (**Chapter 10**), below we list a few tools that may be used to improve the learning experience:

Skills gap analysis

It is important for the learner and coach to monitor any skills gap, for both the technical and critical cross-field outcomes. These gaps should be highlighted in the regular performance evaluation meetings required to complete the technical skills assessment (**Chapter 7**) and action steps designed to resolve the skills gap. Both the learner and the workplace coach must sign the assessment.

Personal skills development plan

Before enrolling for this skills training programme, a learner must design a personal skills development plan which details the action steps required to meet the skills gap, target dates, and resources required. Both the coach and learner must sign these plans.

Communication tools

The learner and coach may consider the following tools of communication:

- Regular meetings

- E-mail

- Preparation of training-related reports

- Contact log – records meetings held and points that were raised

- Feedback sessions.

Assessment questionnaires

The assessment questionnaires provided by Meyer and Fourie (2004) may be found useful by coaches and learners, for example:

- coaching talents inventory

- learner potential and talents inventory

- organisational readiness inventory

- learner performance self-assessment form.

The learner and coach need to ensure the following:

- Agree upfront the principles guiding the training and coaching

- Agree on performance objectives, performance standards, action plans and target dates (these must be incorporated in the performance contracts of the coach.)

- Define the mechanics for communication, such as, structure and regularity, time and place of meetings

- Identify formal and informal means of providing feedback and assessment

- Define ways in which the critical cross-field outcomes will be learned and evaluated.

Coach development

The coach needs to be trained and supported to succeed in the work of being a coach. It is recommended that he/she undergo formal training. Such training could include attending a mentorship workshop that addresses elements such as coaching philosophies and principles, skills development facilitation, dealing with coaching challenges and problems, assessment principles, and coaching across gender and cultures.

2. 5 The tasks and requirements of the workplace coach

Supervisors or managers in municipalities have important coaching responsibilities in the workplace: to help learners acquire the skills required for the implementation of the financial management reforms required by the Municipal Finance Management Act.

The success of the relationship hinges on the existence of confidentiality, openness and trust. This coaching relationship may be one where workplace performance limitations, personal problems affecting work performance, or career progress are addressed, and solutions sought.

The most important role that the coach can play in the relationship is to assist the learner in identifying issues and exploring potential options and solutions, without taking responsibility for the problems of the learner. In this way, the role of the manager or supervisor as a coach will be viewed as a dynamic and reciprocal relationship in a work environment where a capable learner is supported to develop some specified capacity.

The learner must understand that for a coaching experience to be successful, the coach must, preferably:

- be a subject matter expert
- have sound interpersonal attributes, such as
  - patience
  - a sense of humour
  - assertiveness, without being patronising
  - firmness, without being domineering
  - fairness and honesty.

Examples of the roles that are played by the coach are to:

- support the learner at the workplace on an ongoing basis
- provide the learner with information and practical advice
- put tasks into the context of the skills training programme
- explain tasks in easy-to-understand terms with reference to the workplace rotation plan included in the learner log book and module outline
- give constructive feedback and follow-up for motivation and confidence
- provide guidance to enable the learner to fulfil the requirements for the formative or summative assessment. (This should be based on the skills training outline shown in **Chapter 3**.)
- communicate with the key role-players in cases of problems, which cannot be resolved directly with the learner
- communicate with the workplace assessor
- scrutinise the self-assessment checklist **(Chapter 9)** prepared by the learner for completeness to inform the technical skills assessment process required by **Chapter 7**
- know the skills training programme outline and what is expected at the workplace.

Chapter 3
Outline of the skills training

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This outline of the skills training programme has been developed utilising a combination of learning outcomes drawn from more than one unit standard to form the basis for one module of a skills learning programme. Each module is divided into learning units. The use of learning units is attributed to the fact that municipalities and education training providers prefer a block release approach to formal off the job training, to carry out an integrated assessment at the end of each module.

The learning units, forming part of a skills training programme, are designed to address the specific outcomes of the relevant unit standards. Therefore, it should be taken that the learning objectives of each module are based on the specific outcomes of the relevant unit standards. The module outline underlying each skills training programme also provides what practitioners should include in their workplace rotation activities. The outline does not provide detailed timetables, recommended readings, or the detailed subject matter. These are to be provided by the facilitating education and training provider.

A module outline provides a guideline for training providers to prepare learning support material. In addition, the description and outline provide guidance to workplace coaches to help them design an informed workplace rotation plan for learners.

Each learning unit of a skills training programme contains a section on formative assessment. Given that the NQF Level 6 unit standards are designed to address learning outcomes within the higher education band, the training offered on the basis of this skills training programme will include a variety of the following teaching and learning approaches.

Table 1   Summary of teaching and learning approaches

Method	Description
Structured learning experience	Complex game representing real life situations with learners taking roles
Case study	A realistic documented story which guides the learner through certain subject matter, and requires problem diagnosis and solving
Group work	Groups of learners are given similar or different tasks to perform, view, and report back results in a plenary session
Lecture	A short talk by the facilitator to introduce new subject matter or to present information, knowledge and details required to perform other activities
Discussion	Free exchange of information and views between learners and facilitators
Brainstorming	Quick generation of ideas for any subject. Regular part of the brain-teasing/storming cycle
Role-play	Learners are asked to act out roles according to pre-determined characters and subjects
Panel discussion	Planned presentation by one or more experts

The approaches listed in Table 1 on the previous page will use self-research, self-study of pre-training materials, group work, and practical assignments accompanied by use of information technology to promote sound teaching and learning. In this regard, the critical crossfield outcomes will be integrated in learning activities before the summative assessment can be conducted.

Possible formative assessment activities, which are guided by the requirements of the relevant unit standards, are included in the module outline, as well as descriptions to assist practitioners in the planning and implementation of the required assessment.

The module outlines are based on the NQF Level 6 Certificate in Municipal Financial Management (SAQA ID No. 48965). Learners who wish to obtain this qualification must acquire a total of 166 credit values. A skills training programme, which is based on one learning module out of 10 modules, does not result in the award of a complete certificate.

Below is an overview of the 10 modules and related unit standards leading to the award of a full NQF Level 6 Certificate in Municipal Financial Management.

Table 2   Programme outline

Module	US ID number	Unit standard title	Credit values	Hours training with ETP	Hours in workplace
Module 1: Co-operative governance and stakeholder relations	116348	Conduct stakeholder consultation around municipal finance	8	60	120
	116343	Apply the principles of ethics in a municipal environment	10		
Module 2: Municipal legislative environment and policy	116344	Apply the Inter-governmental Fiscal Relations Act to municipal financial management	10	60	120
	116361	Interpret South African legislation and policy affecting municipal financial management	8		
Module 3: Municipal strategic planning and implementation	116358	Contribute to the strategic planning process in a South African municipality	15	100	200
	116342	Apply approaches to managing municipal income and expenditure within a multi-year framework	15		
Module 4: Managing risk in a municipal context	116351	Contribute to audit planning and process in a South African municipality	12	100	200
	116357	Contribute to internal control and internal control evaluation framework	8		
	116339	Apply risk management in South African municipalities	10		
Module 5: Public-private partnerships in municipal service delivery	119353	Plan and implement public-private partnerships for municipal service delivery	12	40	80

Module	US ID number	Unit standard title	Credit values	Hours training with ETP	Hours in workplace
Module 6: Municipal budgeting and implementation	116345	Apply the principles of budgeting within a municipality	15	80	160
	116364	Plan a municipal budgeting and reporting cycle	8		
Module 7 : Municipal financial reporting and performance management	116363	Prepare and analyse municipal financial reports	12	80	160
	116341	Conduct performance management in a South African municipal environment	12		
Module 8: Management of municipal assets and liabilities	116346	Apply techniques and South African statutes to cash and investment management in a municipal environment	10	74	136
	116362	Manage a municipality's assets and liabilities	11		
Module 9: Cost management and capital planning	116347	Contribute to capital planning and financing	15	130	240
	116340	Apply costing principles to municipal operational and service-based costing	11		
	116360	Manage information technology resources in a municipal finance environment	11		
Module 10: Municipal supply chain management	116353	Participate in the design and implementation of municipal supply chain management	12	65	135

The skills training programme number 1 is based on:

Module 1

Co-operative governance and stakeholder relations

Unit standards covered

This module addresses learning outcomes specified in the following unit standards:

US ID No. 116348: Conduct stakeholder consultation around municipal finance

US ID No. 116343: Apply the principles of ethics in a municipal environment

Purpose and key interrelationships

The conduct of business in the public sector in South Africa is governed by the principles underlined in the Batho Pele White Paper (1997). To effectively live by these principles and grow one's career in the modern work environment, it is imperative to manage oneself effectively and ethically, and communicate effectively to maximise human resource performance. This module lies not only at the core of the certificate, but is important for the fulfilment and success of one's work on a daily basis.

The legislative framework governing municipal finance management and administration is strategy-focused. As a result, the three spheres of government in South Africa are required to engage in certain events and processes that include effective stakeholder consultation and human resource capital development.

> **This module recognises the importance of communication and the development of human capital as essential ingredients of a developmental public sector.**

South African municipalities are required by legislation to engage in strategic planning processes, and to develop integrated development plans. Various pieces of legislation including the Constitution (1996), the Municipal Systems Act (2000) and most recently, the Municipal Finance Management Act (2003), guide the strategic planning process in the local government sphere in South Africa. Strategic planning and budgeting, with a multi-year income and expenditure framework, require municipalities to consult stakeholders from time to time.

The Municipal Finance Management Act is based on the principle of developmental local government which takes place through a consultative process. The legislative framework governing municipal finance management in strategy-focused developmental organisations is new, and municipalities are required to engage in certain events and strategic planning sub-processes, which include stakeholder consultation. In order for municipalities to deliver on their legislative mandate, officials and councillors must consider inputs from various stakeholders to enable them to implement the strategic planning and budgeting processes effectively.

There are particular links between co-operative governance and stakeholder relations and other areas of competency in the qualification. Budget preparation and the annual review of the IDP are closely interrelated processes, and need to be well integrated on the municipal calendar through a well-informed consultative process. Also, performance management is a module on the qualification. The strategic planning process leads to programme planning and implementation of strategic objectives. Such programmes and strategic objectives must be communicated to stakeholders.

Reporting, financial or non-financial, is a form of official communication, and constitutes a core part of a module in the municipal financial management qualification. Periodically, municipalities are required to communicate to various stakeholders by preparing selected performance reports that review performance against the municipalities' IDP and SDDIP.

Table 3   Module 1: Co-operative governance and stakeholder relations

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
1. Ethics management · Meaning of ethics and ethical dilemmas in private and work situation · Professional codes of conduct within public sector finance and administration · Codes of conduct including dispute resolution and ethics pertaining to public sector · Legislative basis of ethics in local government · Reporting practices in relation to professional codes of conduct and ethics · Organisational, external agency and employee requirements for information · Procedures for the security and confidentiality of information · Sources of information for the resolution of discrepancies · Tools used to manage ethics at the workplace · How to implement tools used to manage ethics at the workplace · Ethics management tools	24	48	**Outline of the workplace learning** · Discuss with colleagues and superior the importance of ethics in the public sector in general · Discuss with colleagues the role of public finance professionals in promoting ethics in the public sector · Analysis of workplace code of conduct and comparison with the Public Sector Code and the Batho Pele principles · Select situation/(s) or events involving employees and/or stakeholders at the workplace and highlight the ethical issues involved, how they are resolved currently and how they could be resolved in a more ethical manner · Research the factors that undermine ethics in the workplace and recommend solutions **Recommended formative assessment:** In a group of three to four learners, learners will be required to prepare an ethics assessment tool for use by a municipality.
2. Stakeholder consultation in municipal finance · Identification of stakeholders · Negotiation tools in stakeholder consultation · Development of a plan of own development · Communication process used by municipalities · Stakeholder analysis tools · Profiling of stakeholders · Legislative requirement relating to community consultation · Issues that require consultation · Communication process theory, processes and tools · Application of communications policies, procedures and tools in the public sector to internal and external stakeholders of the public sector · Identifying appropriate communication tools for different target stakeholders	36	72	**Outline of the workplace learning** · Prepare a consultation calendar/schedule · Attend ward meetings · Draft selected forms of communication with stakeholders · Profile different stakeholders for selected programmes · Discuss the key elements of communication with your employer and with its stakeholders – prepare a flow chart to record the organisational communication process · Take minutes at workplace meetings · Set an agenda and arrange for the venue · Attend council meetings and prepare report evaluating the effectiveness of communication and stakeholder representation and propose improvements · Prepare and present informative reports to a specific stakeholder group · Use e-governance tools to reach stakeholders · Attend union negotiation activities

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
2. Stakeholder consultation in municipal finance (continued) · Utilise information technology programmes and systems to enhance communication with stakeholders · Barriers to communication and how to overcome them · Writing for stakeholders · Strategies for conflict management and overcoming barriers to effective communication · Communicating changes to stakeholders	36	72	**Recommended formative assessment** A small group of learners will be required to provide a record of discussions with community members within the context of issues arising out of local government finance. The record of discussions with community members should reflect information inputs obtained through the use of appropriate consultation tools.

The skills training programme number 2 is based on:

Module 2

Municipal legislative environment and policy

Unit standards covered

This module addresses learning outcomes specified in the following unit standards:

US ID No. 116344: Apply the Inter-governmental Fiscal Relations Act to municipal financial management

US ID No. 116361: Interpret South African legislation and policy affecting municipal financial management

Purpose and key interrelationships

This module deals with the legislative issues that underpin municipal finance management and administration.

The legislative requirements of municipal finance management are based on South Africa's Constitution, which outlines key democratic principles. For this reason, the module develops an understanding of the nature and significance of selected legislative instruments on municipal finance policy as an external and internal influence on the management of municipal finance and service delivery. Learners will therefore develop an appreciation of key institutions and legislative principles that regulate financial management in a contemporary context. For instance, there is a close interrelationship between revenue raising and spending powers of different spheres of government. Such revenue raising and spending powers impact directly on economic decisions taken by municipal finance managers and the accountancy practice.

Democracy operates within the framework of legislation. The purpose of this module is to highlight the key legislation that impacts on the exercise of the functions of financial management and administration in the local government sphere.

Different legislative and policy instruments affect financial management in South Africa. The Municipal Structures Act identifies the responsibilities for performance management in municipalities. The Municipal Finance Management Act complements the Municipal Structures Act and the Municipal Systems Act by clarifying the processes for monitoring and reporting on financial management and performance in municipalities. The existing legislative framework and related policy instruments emphasise the need for efficiency and effectiveness and the economic use of resources. The understanding of existing legislative and policy frameworks affecting the effective and efficient use of resources in the implementation of integrated development plans and budgets, is required for implementing specific service delivery plans.

This module directly underpins the work to be undertaken in the municipal risk management, and co-operative governance modules. It also links closely to the municipal strategic planning and implementation module.

The Municipal Finance Management Act requires senior municipal officials to command a sound working knowledge of strategic decision-making processes and role-players in the public sector in order to make sense of their working environment and to work effectively within it. Learners who will be working in municipalities need a close understanding of how different legislation and policy frameworks impact on the ever-changing governance structures in the South African government.

In preparing municipal budgets, accounting officers are required by the legislative framework to provide financial and non-financial performance measures and indicators. Therefore, those involved in budgeting and financial reporting should understand the impact of different legislative and policy instruments on performance management, annual financial reporting, and expenditure and revenue management so that the monitoring and evaluation of such activities is objective, efficient and effective.

Table 4   Module 2: Municipal legislative environment and policy

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
1. Developmental local government Techniques of sound financial management · Application of the Municipal Finance Management Act · Elements of local government policy · The structure of government policy · Impact on the public sector · Historical evolution of local government reform initiatives · Trends in local government expenditure · Principles of good governance · Analysis of the environment of public policy	30	60	**Outline of the workplace learning** · Document various ways a municipality uses to operate a responsive instrument of government · Review a selection of rules, statutory documentation, documents and records used in the workplace and evaluate their usefulness and how this can be enhanced · Review minutes and other public records including the Internet home pages of public organisations and document key policy instruments impacting on local government finance **Recommended formative assessment** Learners, in a small group, will be required to prepare a report analysing trends in municipal expenditures and revenues over a five-year period.
2. Financial management and intergovernmental fiscal relations · Municipal Finance Management Act · Legislative requirements for co-operative government at local government level · Compliance with the constitutional provisions regulating provincial supervision of local government · Interpretation of the legislative requirements of the division of revenue process and intergovernmental transfers to local government · Implement the conditions of IGFR transfers to local government · Division of Revenue Act	30	60	**Outline of the workplace learning** · Use revenue allocation schedules in the Division of Revenue Act to prepare revenue budget · Prepare returns forms to comply with the conditions of the grant · Participate in the design and implementation of a reporting system for conditional **Recommended formative assessment** Learners, in a small group, will be required to draft a flow chart that depicts stages of intervention of provincial and national government in the affairs of a municipality with financial difficulties.

The skills training programme number 3 is based on:

Module 3

Municipal strategic planning and implementation

Unit standards covered

> **This module addresses learning outcomes specified in the following unit standards:**
>
> US ID No.116358: Contribute to the strategic planning process in a South African municipality
>
> US ID No. 116342: Apply approaches to managing municipal income and expenditure within a multi-year framework

Purpose and key interrelationships

This module addresses the aspects of developing and implementing the vision, mission, and strategic objectives and plans.

Learners will develop strategic plans and engage constructively in strategic management in a municipal environment.

This module will improve a learner's ability to understand and reason through strategic organisational issues, and provide skills that are considered necessary for a municipal finance management practitioner.

The module critically examines and applies the assumptions, concepts and tools of the new approaches to municipal management that are being applied around the world. It presents a broad analytical approach to the problems that managers face and aims at the development of integrated strategies for improving performance in solving serious problems in the local government sphere.

Important strategic issues that will be dealt with in the module include: formulating and articulating a mission and vision; developing mechanisms of accountability and legitimacy; using performance management; understanding and making good use of new tools for government including privatisation and contracting; restructuring and re-engineering organisations; and shaping organisational culture.

The module should complement specialised courses that focus in more detail on the particular tools that managers use, and should help learners integrate the knowledge they have gained from their experience and previous coursework.

It is important to note the following:

- Leaders of public organisations mobilise resources, both within their own agencies and from outside networks, to meet the needs of the people they serve. In the public sector, these decisions must be made in the context of complicated internal and external environments, and with due regard for the demands of democratic accountability.

- Municipal budgeting and implementation is a module of the qualification. Forecasting budget expenditure items and revenue allocations is dependent on the ability of the municipality to plan and manage revenue collection and expenditure over the medium term.

- Municipal financial reporting and performance management is a module of the qualification. How well a municipality collects revenue and manages its expenditure will influence the outcomes of performance management processes. In addition, performance management will be applied to the income and expenditure in a municipality.

- Legislation and policy development is a module of the qualification. The policies developed and the success of these policies is largely dependent on the municipality's ability to implement its strategic plans and successfully manage their resources over a medium term period.

- Cost management and capital planning is a learning module of the municipal finance qualification. Successful capital planning and cost management are designed to support implementation of strategic plans. In addition, reliance is placed on intelligent revenue and expenditure management over the medium term, especially for the successful raising of long-term loans.

Table 5   Module 3: Municipal strategic planning and implementation

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
1. Strategic management for mission	**20**	**36**	**Outline of the workplace learning**
· Nature of strategic management·Strategic management concepts – vision, mission and goals · Importance of strategic planning in sustainable and integrated development · Elements of a municipal strategy · Legislation dealing with integrated development planning · Link between improved planning to improved service delivery and socio-economic development in municipalities · Statement of missions, values and vision · Approaches to stakeholder analysis · SWOT analysis			· Contribute to IDP development or revision · Participate in assignments (e.g. SDBIP preparation) that entail linking IDP to budgets · Participate in the compilation of information required by management to analyse strengths and weaknesses of public sector organisations · Use stakeholders analysis sheets to identify internal stakeholders for a selected service delivery programme · Use stakeholder analysis sheets to identify and assess the strength of stakeholder groups for selected service delivery programme · Work with the office of municipal manager and mayor to draw up a timetable for various strategic planning activities **Recommended formative assessment:** Learners will be required to submit a SWOT analysis report prepared in accordance with the instructions from the trainer. The report will relate either to the development of a new IDP or revision of an existing IDP. Learners will be required to locate a mission statement of a municipality and assess the mission statement in relation to key elements of a strategy.

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
2. Strategy formulation and implementation · Operating goals and strategies · Action steps and public involvement · Service delivery and budget implementation plans · Measurement of outcomes · Budget-IDP link · Performance indicators · Institutional strategies · Prioritisation of the use of limited resources · Formulation of programmes and monitoring methods	20	34	**Outline of the workplace learning** Conduct analysis of strategic assets of the municipality **Recommended formative assessment** Learners are required to carry out an analysis of benefits and costs associated with a project in the area of youth unemployment to assess the benefits arising from such a project.
3. Strategy implementation and measuring performance · Key performance areas for institutional strategies · Opportunities and challenges presented by performance management · Managing strategic change · Preparation of service delivery budget implementation plans · Designing strategic performance management system · Using information to improve strategic performance · Programme formulation to implement strategy · Strategy implementation tools	20	30	**Outline of workplace learning** · Participate in the formulation of service specific programmes to support strategy · Contribute to the formulation of a SDBIP · Compile schedules with performance measurement indicators · Construct operating procedures specific to a selected service delivery programme **Recommended formative assessment** Learners will be required to complete, in groups of three, a concept paper focusing on the institutional context of services delivered by a municipality to its residents. The paper will focus on municipal strategic planning process or implementation issues. The concept paper requires learners to take one or two concepts developed for the class and provide a critical analysis of that concept in relation to service delivery challenges faced by the municipalities in South Africa. The remaining segments should focus on the application of the concept to public strategic planning and management.

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
4. Revenue management · Revenue forecasting · Tax and user charges · Debt management and indigent policy · Subsidy framework for municipalities · Intergovernmental fiscal relations · Maintaining and improving the revenue control system · Using technology to enhance revenue management practices	20	50	**Outline of the workplace learning** · Prepare a list of indigent residents and apply a subsidy framework used by a municipality · Compile information required to complete invoices · Prepare revenue forecasts for different municipal services using reliable data and sound statistical techniques **Recommended formative assessment** Learners, in a small group, will be required to prepare a report to analyse drivers of revenue for different municipal services and to propose ways of sustaining selected municipal revenue sources.
5. Expenditure management · Linking capital expenditure to specific sources · Expenditure forecasting tools · Managing funds · Calculation and interpretation of expenditure variance · Assess expenditure trends to identify warning signs · Measurable outcomes of the budget · Performance reports that highlight the variances in municipal budget · Determine the priority of expenditure items · Control mechanisms used to evaluate budget performance	20	50	**Outline of the workplace learning** · Identify the expenditure outcomes of a municipal budget · Prepare a performance report that highlights the variances in a municipal budget · Determine the priority of expenditure items on a municipal budget · Document control mechanisms that evaluate budget performance with reference to SDBIPs **Recommended formative assessment** A learner will be required to prepare an expenditure variance report, including operationally informed comments, in a form suitable for consideration by management.

The skills training programme number 4 is based on:

Module 4	**Managing risk in a municipal financial management context**

Unit standards covered

This module addresses learning outcomes specified in the following unit standards:

US ID No. 116351: Contribute to audit planning and in a South Africa municipality

US ID No. 116357: Contribute to internal control and internal control evaluation framework

US ID No. 116339: Apply risk management in South African municipalities

Purpose and key interrelationships

This module deals with aspects of risk management and audit planning activities in municipalities.

It introduces auditing as an essential component of financial risk management that ensures controls are working in favour of improved service delivery. In the process, the module covers regulatory and standard setting procedures, professional ethics governing auditing work, the rights and duties of the auditor covered by the statute, the responsibilities and legal liability of the auditor, the audit process and audit objectives, and financial statement assertions. Procedures used to obtain, assess and manage risk include: internal control, internal control; evaluation; risk assessment; scope of internal auditing; internal auditing standards; types of internal audits; audit findings; and audit reports for internal and external auditors.

Managing risk in a municipal finance context has certain links to the following:

- Risk management involves an appraisal of financial accounting statements and systems used to manage municipal resources. Therefore, prior learning of the requirements of financial accounting at the NQF Level 5, is important.

- Both internal and external auditors review financial management controls, so there is a need to understand what the main objectives of financial management are. The relevant prior learning is included in the fundamentals of accounting, communication skills and computer literacy modules offered at NQF levels 4 and 5.

- Risk management has application throughout the municipal financial management process, such as supply chain management and service delivery through public-private partnerships.

Table 6   Module 4: Managing risk in a municipal financial management context

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
1. Nature of audit functions · Nature of audit and the fundamental principles and standards that are used to govern its practice · Internal audit function of municipal finance management and administration · MFMA risk management requirements · Quality control and improvement of the audit function · Key relationships and networks pertaining to the internal audit function · Professional practices framework · Financial reporting standards · Principles and regulations for reporting audit evidence · Relationship with senior management · Dealing with employee and management fraud · The role of the Auditor General and councillors	30	50	**Outline of the workplace learning** · Work with the internal auditor to determine the role of the internal audit function in public organisations · Review letters of engagement of different professionals used by a municipality and document the uniqueness of internal auditor's role · Attend internal audit committee meetings and provide a record of the meeting's proceedings in the form of minutes **Recommended formative assessment** A learner will be required to show evidence of knowledge of techniques of auditing by preparing the audit working papers and writing a report regarding how such working papers fit into the overall internal audit operations.
2. Planning and conducting audits · Collection of data · Maintaining awareness of fraud · Internal audit plans · Fraud knowledge elements · Using sampling techniques · Data-gathering tools · Carrying out analytical reviews · Audit planning techniques · Internal controls evaluations	30	60	**Outline of the workplace learning** · Participate in analytical review · Participate in the planning of internal audit assignments · Attend meetings with representatives from Auditor General offices · Attend audit committee meetings · Complete working papers for a specific internal audit assignment **Recommended formative assessment** A learner will be required to produce a document that demonstrates the understanding of the function of the financial operations and controls of a public sector organisation.

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
3. Specific internal audit engagements · Risk and control self-assessment · Quality audit with respect to services · Performance audits · Security audit assignments · Operational audit assignments · Compliance audits · Report writing · Internal audit and information technology resources · Limitations of working papers	30	60	**Outline of the workplace learning** · Work with the internal auditors to carry out an assessment of financial and operating risks associated with a specific internal audit engagement · Contribute to reports prepared for management's use in cases of special audit engagements **Recommended formative assessment** Learners will be required to produce an audit plan for a specific internal audit engagement.
4. Risk evaluation and reports · Audit reports · Effectiveness of internal control frameworks · Formulation of risk management plans · Insurance policies for insurable risks · Importance of statistical tools in risk evaluation · Evaluation and documentation of physical risks	16	32	**Outline of the workplace learning** · Prepare risk identification checklists · Use risk rating tools to rate physical and financial risks · Estimate resource requirements needed to mitigate risks **Recommended formative assessment** Learners, in a small group, will be required to prepare a risk mitigation plan for a selected operational area of a municipality.

The skills training programme number 5 is based on:

| Module 5 | **Public-private partnerships in municipal service delivery** |

Unit standards covered

This module addresses learning outcomes specified in the following unit standards:

US ID No. 119353: Plan and implement public-private partnerships for municipal service delivery

Purpose and key interrelationships

In this module, learners will learn about how valuable public-private partnerships are in municipal service delivery.

The module will examine some of the critical success factors of public-private partnerships (PPPs) and offer a suggested approach to establishing, evaluating and managing PPPs. Learners will be exposed to important issues (legal, regulatory, procurement, public policy) associated with the establishment of PPPs. In addition, the module will provide real-life examples of both successful and unsuccessful attempts at partnerships in the area of service delivery.

PPPs have application in municipal financial management. Consequently, PPPs are linked to most parts of the curriculum for the Certificate in Municipal Financial Management. In particular, they are linked to supply chain management, municipal financial and performance reporting, municipal strategic planning and implementation,

and municipal risk management. However, there are particular links to the following:

- PPPs involves collaboration between public bodies and private companies and their establishment entails an appraisal process that relies on financial, economic, and legal/regulatory considerations.

- PPPs calls for different financing arrangements. For this reason, a municipality's assets and liabilities are bound to change whenever a PPP project is undertaken. Also, the risk profiles of the municipality operations are altered through the adoption of a variety of PPP options.

- Both management and auditors review financial management risks and need to understand what the main objectives of a particular PPP project are.

- Information technology resources affect the way management information is generated and disseminated. This raises certain important challenges for managers to consider when planning for the monitoring of PPP projects and their audits.

Table 7   Module 5: Public-private partnerships in municipal service delivery

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
1. Principles and procedures · Challenges of service delivery and different options open to municipalities to ensure innovative service delivery · Reasons for PPP establishment · MFMA, Municipal Systems Act, Municipal Structures Act, PFMA · Treasury Regulation No 16 as amended by the Standard Practice Notes · Codes of good practice in BEE in PPPs	16	32	**Outline of the workplace learning** · Review the minutes and other records for evidence of municipal service delivery challenges · Compare PPP opportunities and compare the different options being used **Recommended formative assessment** Learners, in a small group, will be required to write a project proposal comparing/ evaluating existing performance of PPPs, public entities and/or municipal departments and recommend enhancements.
2. Establishing and managing PPPs · PPP feasibility study and ensuring value for money to the public · Entrenching PPP processes within local government · Managing the PPP agreement · Role of the transaction advisor · Apply legal principles in the design and implementation of the PPP's operational frameworks and contracts · Basic contractual arrangements	12	24	**Outline of the workplace learning** · Constitute a list of institutional assets · Assist with writing the work programme · Specify institutional outputs **Recommended formative assessment** Learners, in a small group, will be required to submit a due diligence report required to assist management in making a decision on whether conventional public sector procurement or a PPP arrangement is the preferred choice for the proposed service delivery project.
3. Monitoring compliance of PPP projects · Ensuring compliance of PPPs with BEE legislation and the Preferential Procurement Policy Framework Act · Insurance and risk management · Managing the PPP agreement · Financial reporting and audit of PPPs	12	22	**Outline of the workplace learning** · Participate in the identification of effective mechanisms to manage the implementation of the PPP contract · Draw up documentation needed to make PPP procurement pre-qualification, request for proposals · Record proceedings of PPP negotiations and financial closure **Recommended formative assessment** Learners, in a small group, will be required to prepare and submit a document needed to invite the public to prepare proposals to procure services through the PPP arrangement.

The skills training programme number 6 is based on:

Module 6

Municipal budgeting and implementation

Unit standards covered

> **This module addresses learning outcomes specified in the following unit standards:**
>
> US ID No. 116345: Apply the principles of budgeting within a municipality
>
> US ID No. 116364: Plan a municipal budgeting and reporting cycle

Purpose and key interrelationships

This is an introduction to the theoretical and practical foundations of municipal finance and budgeting in South Africa.

Learners are expected to show an understanding of the legal and economic factors influencing budgets and budget preparation in municipalities to be able to explain the technical nature of budgeting, which includes budget cycles, timetable and process. The budgeting process is incomplete without using cost management information systems to guide the compilation of expenditure schedules needed to finalise the budget. The module also deals with major steps in implementing and administering a budget through the operation of financial management and human resource information systems. Reference is made to the principles and concepts of municipal budgeting, and the learner will be expected to understand the limitations, if any, of budgets prepared by municipalities and other municipal entities in attempting to meet management needs. An awareness of in-year and end-of-year reporting requirements will be required.

This module of the certificate in municipal financial management qualification focuses on three aspects of municipal budgeting:

- The legislative framework for budget preparation and budget processes by municipalities in South Africa

- An explanation of the concept of budgeting and the various formats and approaches, which will enable municipalities to allocate resources according to

policy priorities in an efficient manner

- Planning for the budgeting and financial reporting processes.

There are particular links between municipal budgeting and implementation and other areas of core competency in the municipal finance management qualification. Municipalities are required to produce budgeted statements of financial performance, financial position, changes in net assets and cash flows. These statements must be prepared according to GRAP. Competent finance specialists should be well equipped to understand the fundamentals of preparing such budgeted statements and the links among them. Understanding of the links ensures accuracy of the budgeted statements. (See the specimen financial statements prepared according to GRAP with MFMA Circular No. 18 at www.treasury.gov.za/mfma.)

- Municipal officials involved in strategic planning processes must recognise budget constraints when developing strategic plans and identifying strategic objectives.

- Municipalities are required by legislation to link, through service delivery and budget implementation plans, their budgets and budgeting processes to their performance management system.

- Officials involved in budgeting must have the ability to manage the assets and liabilities of a municipality. Municipal officials cannot produce budgets that reflect the overall financial plans of the municipality if they do not have the ability to manage municipal

assets and liabilities. The application of sound budgeting principles can improve the productivity of municipal assets and manage the risk associated with liabilities.

• Managing the capital assets of a municipality is an important part of ensuring sustainable financial management. Officials involved in budgeting must be able to contribute to capital planning and financing of a municipality.

• Municipalities are required by legislation to submit their budgets in a prescribed format. This format must set out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year. The development of a medium-term revenue and expenditure framework at municipal level will improve the allocation of resources in the future.

• A budget is only as effective as the cost estimates upon which it is based. Municipal officials involved in budgeting must be able to use data prepared through the application of costing principles to municipal operations.

• Municipal officials involved with budgeting must have an understanding of revenue management in a municipal context. Municipal officials must understand and apply local government legislation regarding revenue management to produce budgets that adhere to the principles of sound revenue management of a municipality.

Table 8   Module 6: Municipal budgeting and implementation

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
1. Approaches to budgeting · Various formats of budgets · Role of budgets · Performance budgeting · Budgeting and financial reporting cycles · Service delivery implementation plans and IDP-budget link · Basics of budget preparation · Using spread sheets to build budgets · Cost and revenue estimation · Key stages in budgeting	30	60	**Outline of the workplace learning** · Forecast revenue and expenditure items · Prepare selected budget preparation supporting schedules · Use spread sheets in budgeting process · Use relevant software that facilitates IDP-budget link · Complete appendices required by the National Treasury **Recommended formative assessment** Learners are required to prepare budget schedules needed to support finalisation of annual operating budgets.

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
2. Budgetary administration and management · Responsibilities of different municipal officials · Standard chart of accounts and codes · Financial management information systems · Human resources information system · Analysis of fiscal health · Financial administration legislation · Different budget formats · Defining budget outcomes · Planning a municipal calendar · Roles and responsibilities of officials · Preparation of budget documentation · Municipal delegations and budget preparation	25	50	**Outline of the workplace learning** · Create new accounts within the current chart of accounts · Use computerised systems to support administration of an approved budget · Participate in the preparation of a municipal budgeting and reporting calendar · Participate in the preparation of supporting schedules needed to finalise operating budget · Contribute to the preparation of a service delivery budget implementation plan · Formulate municipal delegation letters that can be used to delegate specific responsibilities to senior municipal managers **Recommended formative assessment** Learners, in a small group, will be required to prepare a municipal budgeting and reporting calendar of activities as required by the MFMA.
3. Budgets and related controls · Expenditure management basics · Service cost concepts · Cost information in income statement · Cost and revenue variances · Decision support systems · Different costs for different decisions	25	50	**Outline of the workplace learning** · Review major expenditure classifications used by the municipality · Analyse selected service delivery activities and their impact on costs of services · Use spread sheets or other relevant software to prepare cost information reports for management use · Compute selected cost variances for different service costs **Recommended formative assessment** Learner is required to prepare a flexible budget and responsibility report that clearly shows controllable and non-controllable costs for a given manager.

Module 7

Municipal financial reporting and performance management

Unit standards covered

This module addresses learning outcomes specified in the following unit standards:

US ID No. 116363: Prepare and analyse municipal financial reports

US ID No. 116341: Conduct performance management in a South African municipal environment

Purpose and key interrelationships

Financial reporting is required in South African municipalities by the existing legislative framework. The Municipal Finance Management Act (2003) requires municipalities and their municipal entities to prepare annual financial statements which fairly presents: the state of affairs of the municipality; its performance against its budget; its management of revenue, expenditure, liabilities and assets; its business activities; its financial results; and its financial position at the end of the financial year. The legislative framework emphasises the need for efficiency and effectiveness and the economic use of resources. Without financial reporting and standards, the effective measurement of how efficiently and effectively resources are used in the implementation of the integrated development plan and budget, is unlikely to be achieved.

There are particular links between topics covered by this module and other areas of competence in the qualification. For instance, municipal budgets are required by the legislative framework to be submitted with performance measures and indicators. Those involved in budgeting processes should understand financial reporting and analysis issues while planning municipal expenditures and revenues so that the monitoring and evaluation of such activities is objective, efficient and effective.

This module forms a core part of the curriculum for the certificate in municipal financial management qualification.

Municipalities are required to submit annual reports containing sections that review performance against the municipality's IDP and budget. This module develops the skills that enable officials to report on and analyse the municipality's fiscal performance.

This module is a major contributor to the areas of competence in National Treasury's competency prescription, such as strategic planning, expenditure management and performance management.

Other key modules contributing to these areas are cash and investment management and municipal budgeting and implementation.

This module makes an important contribution to management of municipal assets and liabilities, municipal risk management, co-operative governance and stakeholder relations, and municipal strategic planning and implementation.

Table 9   Module 7: Municipal financial reporting and performance management

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
1. Conceptual Framework and GRAP · Purpose of municipal financial reports · Relationship between end-of-year reports and in-year reporting · Fundamental municipal accounting concepts · Influence of MFMA on formats of financial reports · Types of financial statements and their features · Approaches used to process accounting information · Planning a financial reporting cycle · Measurement basis and focus of municipal accounting · Main categories of activities of municipalities · Measurement and recognition rules for revenues and expenditure	20	30	**Outline of the workplace learning** · Review financial reports of previous years for compliance with GRAP· Comment on exposure drafts released by ASB **Recommended formative assessment** Learners will be required to complete a report that documents a review exercise of two most recent annual reports of a municipality and indicate the extent to which those annual reports comply with MFMA and GRAP.
2. Preparation of financial statements · Required end-of-period adjustments · Bad debts and delinquency policy · Treatment of diminution in value of tangible assets · Preparation of fixed asset register · Preparation of financial statements · Stock taking and inventory valuation · Accounting for different funds · Retirement and general liabilities · Sources of capital project funds · Important notes to financial statements · Current reporting issues of municipal financial performance	30	70	**Outline of the workplace learning** · Carry out an age analysis of municipal debtor balances · Maintain a fixed asset register of the municipality · Carry out selected adjustments to municipal records so as to have relevant information required to finalise municipal financial reports · Participate in a team involved with periodic stock date **Recommended formative assessment** Learners are required to prepare financial statements in a form suitable for inclusion in the annual report of a municipality. This will be based on simulated data.

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
3. Performance analysis and reporting flows · Cash flow statements · Financial ratios · Importance of financial performance measurement · Non-financial performance measure · Budget analysis and comments · Resolving financial discrepancies after thorough analysis of financial statements · Reporting performance of managers · Linking actual performance to performance budgets · Managing performance through service level agreement for critical areas of operations · Institutional arrangement of performance management · Performance management systems · Compensation and workplace performance	30	60	**Outline of the workplace learning** · Make an analysis of in-year municipal reports · Carry out horizontal and vertical analysis of municipal financial reports · Compare municipal budget with actual financial results · Use information on service delivery budget implementation plan to derive non-financial performance indicators · Draft service level agreements to manage performance in key areas of service delivery · Develop performance indicators of different areas of performance **Recommended formative assessment** A learner will be required to carry out horizontal and vertical analysis of comparative financial statements of a municipality.

Module 8

Management of municipal assets and liabilities

Unit standards covered

This module addresses learning outcomes specified in the following unit standards:

US ID No.116346: Apply techniques and South African statutes to cash and investment management in a municipal environment

US ID No. 116362: Manage a municipality's assets and liabilities

Purpose and key interrelationships

The management of a municipal assets and liabilities training programme is designed to provide the basis for learners to make an effective contribution to the management of resources at the disposal of the municipality, with reference to South Africa's statutory provisions

The module topics have been chosen to help learners develop their skills within the treasury function of a municipality, by enhancing their knowledge and understanding of: the key features of the assets and liabilities management and related regulations and structuring of deals of investments in financial securities; and monitoring, retaining and developing strategies for the management of liquid resources for service delivery.

The management of cash resources holds a central position in the area of short-term financing decisions. Cash is needed to finance a municipality's operations, and can be held for precautionary and speculative purposes. However, holding cash carries with it a cost

– the opportunity cost of the returns that could be made if the cash balances were either used in the municipality or invested elsewhere.

Therefore, a municipality has to balance the advantages of liquidity against returns. Cash should be held until the marginal value of the liquidity it gives is equal to the value of the interest lost. The municipality will be concerned with optimising the amount of cash available to the municipality, and maximising the interest on any spare funds not required immediately.

In terms of risk management, municipal assets and liabilities expose the municipality to liquidity risk, exchange rate risk, and interest rate risk. Unique internal controls are required to manage fraud that may arise in receipt and use of municipal assets.

Municipal budgeting and implementation is a subset of assets and liability management. Budgeting indicates if a municipality has a cash deficit or cash surplus. This enables the municipality to plan how to invest the cash surplus or make up for the cash shortfall.

Table 10 Module 8: Management of municipal assets and liabilities

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
1. SA regulatory framework · Requirements for the primary accounts · Roles of municipal officials in relation to primary accounts · Audit of primary accounts · Cash and investment regulations · Approved financial securities · Control procedures required by the treasury regulations · Cash management models and their usefulness · Retirement fund regulations · Fixed asset management policy · Contracts having future budgetary implications	10	20	**Outline of the workplace learning** · Review the minutes of a meeting and note specific issues relating to the management of revenue, investments and cash · Evaluate whether best practice and sound principles are being applied and legislation is being complied with · Write a brief report on the importance of revenue, investments and cash management on socio-economic development and service delivery **Recommended formative assessment** Learners, in a small group, will be required to prepare and present a report that documents control procedures used by the municipality to manage cash and investments.
2. Credit management in municipalities · Debt collection policies · Working capital ratios · Debtor age-analysis reports · Credit control procedures used in municipalities · Indigent policies · Reports required for credit management · Debtor reconciliation statements	16	30	**Outline of the workplace learning** · Review and apply indigent policies used by the municipality · Make monthly debtor age-analysis schedule · Prepare reports that compare billed amounts and amounts actually collected from debtors · Calculate financial ratios required to guide management decisions with respect to revenue management · Resolve financial queries raised by debtors **Recommended formative assessment** Learners, in a small group, will be required to prepare a report providing an analysis of a working capital situation with recommendations of how the municipality can make improvements. The report should make reference to municipal indigent and credit policy.

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
3. Cash and investment management · Features of marketable financial securities · Effects of interest changing on investment decision · Time value calculation and investment value · Different forms of investment risk · Investment risk diversification · Monthly cash budgets · Deterministic models for determining optimal cash balances · Opportunities for investing surplus cash	20	32	**Outline of the workplace learning** · Prepare investment register · Compute and record income from investments · Prepare monthly cash budgets · Prepare bank reconciliation statements reconciling bank balances to municipal records **Recommended formative assessment** Learners will be required to produce a well-founded proposal to support a plan to invest surplus funds at the disposal of a municipality.
4. Managing liabilities · Relationships with financial community · Analysis of credit worthiness of a municipality · Improvement of credit rating of a municipality · Proposals for accessing bank finance · Hire purchase and leasing transactions · Plan for contingent liabilities · Retirement funding and general liabilities	16	32	**Outline of the workplace learning** · Prepare a register of liabilities · Process payments to creditors in accordance with sound financial policy · Compute interest payments to creditors · Prepare loan proposal to financial institutions · Assess maturity structure of liabilities in municipalities · Calculate effective interest on loans **Recommended formative assessment** Learners will be required to prepare and submit a funding proposal in a form suitable to support a loan application.
5. Managing municipal assets · Assessment of fixed asset performance and associated risks · Prepare fixed asset register · Assets movement procedures · Audit requirements for assets · Risk assessment – assets · Acquisition and disposal of assets in municipalities	10	24	**Outline of the workplace learning** · Participate in the compilation of assets register · Assess diminution in value of different assets · Participate in the performance of selected fixed assets · Evaluate controls over fixed assets · Participate in the development of a fixed asset policy **Recommended formative assessment** Learners, in a small group, will be required to review current policies used to manage the use of fixed assets in a municipality. The report will have to make reference to utilisation levels and associated risks.

The skills training programme number 9 is based on:

Module 9

Cost management and capital planning

Unit standards covered

> **This module addresses learning outcomes specified in the following unit standards:**
>
> US ID No.116347: Contribute to capital planning
>
> US ID No. 116340: Apply costing principles to municipal operational and service-based costing
>
> US ID No. 116360: Manage information technology resources in a municipal finance environment

Purpose and key interrelationships

The purpose of this module is to present a core set of IS principles, which every public sector finance manager should be familiar with in relation to data and information processing.

The module provides the learner with an opportunity to realise the evolving ways of successfully planning and using government information technology resources. It also looks at the social and organisational impacts of government IT initiatives: the causes of IT failures; IT success factors; needs assessment; records management; and security and access issues. Core questions addressed in the module include what information should be made available, how security can be enhanced, and what exemplary practices might improve government IT effectiveness. Operational and service-based costing is a management and policy-making tool that helps to answer questions related to the cost of providing municipal services. Costing looks at the cost of all resources used to provide services rather than expenditures made to operate municipal departments. The purpose of costing is not simply to collect cost data, but to provide municipal managers and officials with information that they can use to make better management decisions in several areas, including:

- Analysing the efficiency of municipal services

- Making budget decisions

- Setting charges for services

- Choosing alternative methods of providing services, such as contracting and outsourcing.

There are particular links between costing and other areas of competency in the municipal financial management qualification. For instance, strategic planning involves, amongst other things, the preparation of an integrated development plan. The IDP must include a financial plan (budget) for at least three years. Costing of resources would result in a financial plan that adequately supports the IDP. The existing legislative framework requires accounting officers to prepare municipal budgets. Operational and service-based costing provides municipalities with data that supports the budgeting process.

Capital budgeting is the analysis and evaluation of projects that normally produce benefits over a number of years. Capital budgeting decisions are important, because a municipality's future success will often depend on current capital expenditure decisions. When a capital project is being analysed, evaluated and approved, the next decision will be on how to raise the necessary finance. The finance personnel of municipalities must consider broad categories of finance to be raised, the mix of debt and community wealth base, and the cost of finance. Also, the financial instruments that will be issued to raise capital should appeal to finance providers.

Table 11 Module 9: Cost management and capital planning

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
1. Management information systems · Introduction to information systems · Information systems in the public sector · Hard- and software systems applications · E-governance principles · The Internet, extranets; and intranets · Use of e-commerce and e-governance to enhance service delivery management · Information assets in the public sector · Threats to information assets · Disaster recovery plans · Information security strategy and architecture · Internal audit of information systems · Contingency plans · Risks associated with e-commerce systems and other related MIS	30	60	**Outline of the workplace learning** · Use municipal intranets and Internet · Prepare data disk and a back-up for important computer-based assignments · Create a spreadsheet of a municipality's assets · Use word processing software to prepare a summary of different resources for training at the municipality · Define the requirements for e-governance for a municipality · Communicate using e-mail · Identify municipal information security frameworks · Participate in audit of information security system · Classify different controls used by the municipality to manage security risk · Document risk identification and assessment **Recommended formative assessment** Learners, in a small group, will be required to carry out an evaluation of an information system in a selected public sector organisation. The evaluation exercise should consider: categories of information systems; information assets, different purposes, a description of these information systems; a discussion of whether the organisation is progressing in the use of information systems. Learners are required to prepare a report profiling the information security risks associated with the present system used by a public sector organisation.

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
2. Organising information to support management decision · Database management principles · Data modelling techniques · Transaction processing and ERP systems · Principles of systems analysis and design · Using database system to generate routine decision support information · Form of MIS used by the public sector · Alternatives to ERP systems · Different applications of ERP systems	30	60	**Outline of the workplace learning** · Participate in the modelling on a selected service operation area to inform the design of a database · Participate in the design of a cost recovery system needed to inform setting of user charges · Use ERP system to process reports for management and clients · Attend meetings where information technology resources are discussed · Perform practical demonstrations using MS Access **Recommended formative assessment** Learners, in a small group, will be required to conduct an analysis of a data management vendor. The analysis will have to address issues such as competitive analysis, financial standing, recent events, architectural overview, product demonstrations, current skill requirements for career opportunities, and forecast of the vendor's future direction and the vendor's product space.
3. Capital planning · Sources of capital project funds · Project evaluation · Use of discounted cash flow techniques · MFMA requirements · Different methods of raising finance for capital projects · Preparation of business plans · Prioritisation of capital expenditures · Non-financial factors in capital planning · Linking capital plans to IDPs	35	70	**Outline of the workplace learning** · Prepare business plans · Rate different projects for approval · Estimate revenue consequences of selected capital expenditures **Recommended formative assessment** Learners will be required to prepare a report providing informed rating of selected projects of a municipality.

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
4. Service and operational based costing · Unit cost statements · Allocation of shared costs and overheads · Service level agreement and costs of services · Cost behaviour and pricing of services · Classification of costs by behaviour · Efficiency cost comparisons · Break-even analysis for different services	25	50	**Outline of the workplace learning** · Prepare unit cost schedules/statement for different services · Use ABC system to allocate overhead to selected services · Determine expenditure estimation equations using historical data · Conduct account analysis of different expenditure items to scrutinise the behaviour of selected expenditure items · Prepare statements showing efficiency comparison for selected municipal service delivery programmes · Carry out an account analysis for revenue and expenditure items for selected services **Recommended formative assessment** Learners, in a small group, will be required to select two service-oriented activities and perform an analysis to establish the costs and revenues associated with the provision of such services.

The skills training programme number 10 is based on:

Module 10

Municipal supply chain management

Unit standards covered

> **This module addresses learning outcomes specified in the following unit standard:**
>
> US ID No. 116353: Participate in the design and implementation of municipal supply chain management

Purpose and key interrelationships

Municipal supply chain management is central to municipal financial management. It addresses the major challenges facing public organisations today and provides the basic tools necessary for implementing supply chain management processes.

The module introduces the discipline of supply chain management. Learners will learn about the governing concepts and principles of supply chain management in the public sector, but will also see how those concepts and principles translate into practice.

This module is linked with all the modules relating to legislation, as the legislative framework sets the context for public sector organisations to manage their risks. Certain pieces of legislation, for example the PFMA and the MFMA, directly impact on the management of risks in the public sector. Further, the module is linked to the budgeting, strategic planning, internal control and disaster management modules.

Supply chain management is required in South African municipalities by the MFMA. The legislative framework emphasises the need for efficiency, effectiveness and the economic use of resources. South Africa's Constitution states that procurement practices must be fair, equitable,

transparent, competitive and cost-effective. Without supply chain management systems, the effective and efficient acquisition and disposal of goods and services used in the implementation of IDP and budget, is unlikely. There are particular links between supply chain management and other areas of competency in the municipal financial management qualification. For example:

- Strategic planning is a module on the municipal financial management qualification. Municipal officials involved in strategic planning processes must recognise the importance of supply chain management when developing strategic plans and identifying strategic objectives. This will facilitate the establishment of performance management measures and indicators for the supply chain management activities, which will allow for easy and effective monitoring and measurement at the end of each operating period.

- Preparation of budgets is a core component of the municipal financial management qualification. Municipal budgets are required by the legislative framework to be submitted with performance measures and indicators. Those involved in budgeting processes should understand the processes involved in supply chain management for a municipality while planning municipal expenditures and revenues so that

the monitoring and evaluation of such activities is objective, efficient and effective.

- Financial reporting also forms part of a module in the municipal financial management qualification. Municipalities are required to submit annual reports containing sections that review performance and risk management against the municipalities' integrated development plan and budget. This module develops the skills that enable officials to report on the municipality's performance. The various elements of a supply chain management system carry risks, which need to be managed and reported regularly.

Table 12 Module 10: Municipal supply chain management

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
1. Legislative basis of supply chain management · MFMA requirements · Delegation of SCM functions · Role of councillors · Different committees · Preferential Procurement Policy Framework · Broad-based BEE · National Treasury regulations and policy framework · Broad-based BEE Act · Competition regulation · Corruption measures and the Constitution	15	30	**Outline of the workplace learning** · Review specific SCM policy guidelines relevant to municipalities · Prepare a presentation of anti-corruption measures to enhance ethical behaviour · Assist with the drafting of municipal SCM policy · Attend SCM meetings and keep a record thereof **Recommended formative assessment** Learners will be required to analyse one case study that requires the application of the legislative principles of municipal supply chain management. Learners will be required to prepare a presentation that can be used to inform municipal officials working outside SCM unit. The presentation shall be informed by the legislative instruments and guidelines.
2. Procurement and disposal management · Market assessment and implementation of the findings · Industry supply analysis · Life-cycle costing and strategic sourcing · Threshhold values · Evaluation of bids · Compilation of contract documents · Negotiation of contracts · Principles of law of contract · Appointment of consultants · Database for obsolete and redundant items · Depreciation of items · Disposal strategies · Forecasting future requirements and related budget	25	50	**Outline of the workplace learning** · Participate in the coding of assets acquired · Attendant bid evaluation committee meetings · Draw bid documentation on the basis of sound criteria · Prepare minutes of bid evaluation and adjudication committees **Recommended formative assessment** Learners will be required to prepare a request for proposals and related documents. Learners will be required to prepare tender documents to be used to invite bids for different services.

Learning units	Theory hours	Workplace hours	Workplace learning and recommended formative assessment
3. Logistics management · Codify items · Plan lead times and inventory levels · E-commerce and ordering of goods · Receipt of goods · Warehousing and storage space · Safety and security in warehouse operations · Diarise and expedite orders · Review of vendor performance · Transport management issues · Accounting for store functions · Evaluation of risk in SCM system · Formulation of performance indications · Managing supplier relations · Evaluation of supplier relations · Involvement of other departments in SCM activities	**10**	**30**	**Outline of the workplace learning activities** · Use appropriate checklists to monitor performance of vendors · Participate in the scheduling of deliveries · Determine warehouse space and use acceptable storage procedures · Assist with receipt of goods · Compare plan lead times and inventory levels with actual lead times and inventory levels · Participate in stock taking **Recommended formative assessment** Learners will be required to prepare a plan for the warehousing activities of a municipality. The plan should make reference to layout and storage procedures required to minimise loss.

Chapter 4
The learner logbook

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The learners should keep a record of practical training experience and their completed formative assessment. The record of practical training experience should be kept in a suitable form to enable evaluation of recorded work-based skills for each module. A learner who fails to participate in the completion of a log book for this skills training programme, which should be based on one of the ten modules outlined in **Chapter 3,** inhibits the assessment process, and therefore contravenes an important requirement of the STP outline. Records such as a daily log of work done by an intern, assessments carried out by the ETP, and assessments done by a work-based assessor, are some of the important training records that a municipality should keep after conclusion of this skills training programme.

For each module STP, the learner should therefore complete columns 2, 3, and 4 of the template shown on the following pages.

TO BE STRICTLY COMPLETED BY THE LEARNER

Table 13   Learner logbook for Module 1: Co-operative governance and stakeholder relations

Learning units	Department	Duration	Assignment for formative assessment	Signature -Coach-	Signature -Assessor-
Ethics management					
Stakeholder consultation in municipal finance					

Table 14   Learner logbook for Module 2: Municipal legislative environment and policy

Learning units	Department	Duration	Assignment for formative assessment	Signature -Mentor-	Signature -Assessor
Developmental local government					
Financial management and intergovernmental fiscal relations					

Table 15   Learner logbook for Module 3: Municipal strategic planning and implementation

Learning units	Department	Duration	Assignment for formative assessment	Signature -Coach-	Signature -Assessor-
Strategic management for mission					
Strategy formulation and implementation					
Strategy implementation and measuring performance					
Revenue management					
Expenditure management					

Table 16 Learner logbook for Module 4: Managing risk in a municipal financial management context

Learning units	Department	Duration	Assignment for formative assessment	Signature -Coach-	Signature -Assessor-
Nature of audit functions					
Planning and conducting audits					
Specific internal audit engagements					
Risk evaluation and reports					

Table 17 Learner logbook for Module 5: Public-private partnerships in municipal service delivery

Learning units	Department	Duration	Assignment for formative assessment	Signature -Coach-	Signature -Assessor-
Principles and procedures					
Establishing and managing PPPs					
Monitoring compliance of PPP projects					

Table 18 Learner logbook for Module 6: Municipal budgeting and implementation

Learning units	Department	Duration	Assignment for formative assessment	Signature -Coach-	Signature -Assessor-
Approaches to budgeting					
Budgetary administration and management					
Budgets and related controls					

Table 19 Learner logbook for Module 7: Municipal financial reporting and performance management

Learning units	Department	Duration	Assignment for formative assessment	Signature -Coach-	Signature -Assessor-
Conceptual framework and GRAP					
Preparation of financial statements					
Performance analysis and reporting flows					

Table 20 Learner logbook for Module 8: Management of municipal assets and liabilities

Learning units	Department	Duration	Assignment for formative assessment	Signature -Coach-	Signature -Assessor-
South African regulatory framework					
Credit management in municipalities					
Cash and investment management					
Managing liabilities					
Managing municipal assets					

TO BE STRICTLY COMPLETED BY THE LEARNER

Table 21 Learner logbook for Module 9: Cost management and capital planning

Learning units	Department or project	Duration	Assignment for formative assessment	Signature -Coach-	Signature -Assessor-
Management information systems					
Organising information to support management decisions					
Capital planning					
Service and operational costing					

Table 22 Learner logbook for Module 10: Municipal supply chain management

Learning units	Department or project	Duration	Assignment for formative assessment	Signature -Coach-	Signature -Assessor-
Legislative basis of supply chain management					
Procurement and disposal management					
Logistics management					

Chapter 5
The workplace rotation plan

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Askills training programme relies on both formal training and on-the-job training in which learners are trained in the process of service delivery, in direct contact with service recipients. Therefore, the municipal finance management learners' service delivery tasks and duties are twofold: they are oriented towards learning, and add value through a tangible contribution to the operations of municipalities. Experiential training focuses on training for a practical workplace learning activity and should be sequential, cumulative and graded in complexity. This requires a design of a workplace rotation plan that is informed by both the personal development plan of a learner and the module outline in **Chapter 3** of these guidelines. Experiential training offered might be used to expose the interns to best practices that will enable them to improve current procedures in municipalities.

The municipality is required to help a learner to complete the plan shown on page 48, after taking cognisance of the module outline and personal development plan of the individual learner.

Table 23 Workplace rotation plan for Module 1: Co-operative governance and stakeholder relations

Learning units	Department or project title	Duration	Signature -Workplace coach-	Signature -Training co-ordinator-
Ethics management		From: To:		
Stakeholder consultation in municipal finance		From: To:		

Table 24 Workplace rotation plan for Module 2: Municipal legislative environment and policy

Learning units	Department or project title	Duration	Signature - Workplace coach -	Signature -Training c-oordinator -
Developmental local government		From: To:		
Financial management and intergovernmental fiscal relations		From: To:		

Table 25 Workplace rotation plan for Module 3: Municipal strategic planning and implementation

TO BE COMPLETED BY THE MUNICIPALITY

Learning units	Department or project title	Duration	Signature - Workplace coach -	Signature - Training co-ordinator -
Strategic management for mission		From: To:		
Strategy formulation and implementation		From: To:		
Strategy implementation and measuring performance		From: To:		
Revenue management		From: To:		
Expenditure management		From: To:		

49

Table 26 Workplace rotation plan for Module 4: Managing risk in a municipal financial management context

Learning units	Department or project title	Duration	Signature - Workplace coach -	Signature - Training co-ordinator -
Nature of audit functions		From: To:		
Planning and conducting of audits		From: To:		
Specific internal audit engagements		From: To:		
Risk evaluation and reports		From: To:		

Table 27 Workplace rotation plan for Module 5: Public-private partnerships in municipal service delivery

Learning units	Department or project title	Duration	Signature - Workplace coach -	Signature - Training co-ordinator -
Principles and procedures		From: To		
Establishing and managing PPPs		From: To		
Monitoring compliance of PPP projects		From: To:		

Table 28 Workplace rotation plan for Module 6: Municipal budgeting and implementation

Learning Units	Department or project title	Duration	Signature - Workplace coach -	Signature - Training co-ordinator -
Approaches to budgeting		From: To:		
Budgetary administration and management		From: To:		
Budgets and related controls		From: To:		

Table 29 Workplace rotation plan for Module 7: Municipal financial reporting and performance management

Learning units	Department or project title	Duration	Signature - Workplace coach -	Signature - Training co-ordinator -
Conceptual framework and GRAP		From: To:		
Preparation of financial statements		From: To:		
Performance analysis and reporting		From: To:		

Table 30 Workplace rotation plan for Module 8: Management of municipal assets and liabilities

Learning units	Department or project title	Duration	Signature - Workplace coach -	Signature - Training co-ordinator -
SA regulatory framework		From:		
		To:		
Credit management in municipalities		From:		
		To:		
Cash and investment management		From:		
		To:		
Managing liabilities		From:		
		To:		
Managing municipal assets		From:		
		To:		

Table 31   Workplace rotation plan for Module 9: Cost managing and capital planning

Learning units	Department or project title	Duration	Signature - Workplace coach -	Signature -Training co-ordinator -
Management information system		From: To:		
Organising information for management decisions		From: To:		
Capital planning		From: To:		
Service and operational costing		From: To:		

Table 32   Workplace rotation plan for Module 10: Municipal supply chain management

Learning units	Department or project title	Duration	Workplace coach	Signature -Training co-ordinator
Legislative basis of supply chain management		From: To:		
Procurement and disposal management		From: To:		
Logistics management		From: To:		

Chapter 6
The assessment strategy

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As per the SAQA Criteria and Guidelines for Short Courses and Skills Programmes, a learner may choose to be assessed or not. This decision should be made in consultation with the coach and the learner's superior. Where the decision is made not to assess, the learner will not earn any credits.

Where the decision is made to assess, the learner will earn credits as stipulated in **Chapter 3** and in accordance with the guidelines set below.

Skills training programmes aligned to the NQF Level 6 Certificate in Municipal Financial Management, should seek to fill defined skill gaps identified during a well-designed skills gap analysis.

Each skills training programme is based on a learning module, which consists of learning units. Each learning unit is based on practical assignments contextualised for the municipal financial management context.

The basic principle of a skills training programme is to consolidate and integrate theory learning and practical work experience.

Assessment strategy for skills training programmes in municipal financial management

Formative assessment

During training, a learner will be required to apply the theoretical knowledge and skills acquired during training in the work environment.

The learner will have to demonstrate competence by carrying out assignments in the workplace, which also includes collection of evidence while applying acquired skills. The evidence produced will be used for formative assessments.

The education and training provider will conduct knowledge tests. These tests form part of the formative assessment. All assignments are orientated towards the learning units of each module. All assignments and evidence collected by the learner form part of a learner's portfolio of evidence.

Once learners have completed all formative assessments for a module, they will be eligible to participate in the summative assessment.

Integrated summative assessment

A summative assessment will be conducted at the end of each skills training programme. This assessment will take the form of a panel discussion and will be based on the learner's portfolio of evidence and a two-

to three-hour written examination. In the panel discussion, the learner has to demonstrate that he/she can integrate the knowledge acquired in the learning units and that he/she is able to apply the skills in the workplace. Since each skills training programme is based on registered unit standards, the panel discussion represents an integrated approach to assessment, which covers all specific learning outcomes for the relevant unit standards allocated. The panel discussion is orientated towards the critical cross-field outcomes (CCFOs) and technical subject matter.

Table 33   Training delivery process

All learners will follow the same process.

Formal training	Before the formal training, the training provider must create a situation for the learners to do some preparatory activity so that learners have some prior exposure to the subject matter. During the training sessions with the training provider, learners will be exposed to adequate knowledge and skills that will enable the learner to carry out the assignments or write a knowledge test. The training provider must avoid a "big-bang once-off" session to cover a module. Learning occurs over an extended period of exposure. The CCFOs and how the learner must integrate them in learning should be clearly spelt out in the learning materials and during the training itself, on a regular basis. Various learning methods such as group work and case studies should be used.
Workplace training	The learner will be required to execute workplace assignments and collect evidence in the workplace.
	The evidence provided by the workplace assignments (e.g. report analysis, budget time schedule, oversight report draft, minutes of a meeting) must be availed by the learner in due time to the workplace assessor or supervisor for assessment.
Formative assessment (Based on learning units)	The assessment will be discussed with the learner. If evidence provided is inadequate, additional workplace activities required will be discussed with the learner.
	The evidence, including the evidence summary sheet, is to be submitted to the lead training provider for filing in the form of a portfolio of evidence.
Summative assessment	Once the learner has completed all formative assessments for the module and met all competency requirements, the learner is registered for the integrated summative assessment for that module, in accordance with the summative assessment guidelines to be issued by the LGSETA-ETQA Guidelines.
Recognition of previous learning and experience	Special arrangements can be made for learners with previous work experience. With the support of the workplace coach and training co-ordinator, those learners may complete selected learning units in a module from the required units

Chapter 7
Evaluation of a learner's technical and professional skills

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This sample form is not intended to be prescriptive, but to guide supervisors/coaches to document and rate the work experience of a learner. It is unlikely that the learner will record work-based experience in the order shown in **Chapter 5**. The column marked "Comments and examples" is to be used to provide specific examples that show the level of competency achieved by the learner.

PERFORMANCE EVALUATION

This evaluation is a record of the evaluation of the performance of the learner over a period of time. Information from performance evaluation should be assembled and used to initiate discussions aimed at analysing personal development needs. Information required to complete this performance evaluation would normally be available from the daily logbook of work that is compiled by the learner.

Administrative information

Name of learner:	
Name of coach:	
Date of performance evaluation meeting:	
Evaluation period:	From: To:
Number of months completed on the training contract to date:	
Approximate number of hours worked during the evaluation period:	

Nature of work executed

Briefly describe the scope of the assignments, including specific tasks, roles and responsibilities, and the degree of complexity of the assignment(s) for the period.

Table 34

Work area	Number of other staff involved	Discussion/comments

Evaluation of technical skills

(Note that, where applicable, all activities should be performed in accordance with relevant standards.)

Description of ratings

1= Not capable (The learner is not able to perform the task. He/she demonstrates a lack of knowledge and/or the ability to perform the task, even with frequent help.)

2=Capable with frequent supervision (The learner is able to perform the task, but requires frequent monitoring and review. He/she can do the work only if h e/she is able to ask questions frequently. He/she can proceed with the task if guidance is readily available.)

3=Capable with periodic supervision (The learner is able to complete the task without frequent supervision from the superior. He/she may need to ask questions, but on the whole does not require much additional direction to accomplish the task.)

4=Capable with no supervision (The learner does not require additional guidance. He/she is able to complete the task successfully without additional help or guidance from the immediate superior.)

5=Capable to supervise and review (The learner is able to direct other trainees successfully on how to complete the task. He/she is able to complete the task on his/her own and can explain to others how and why the task should be completed and assess the standard of the work of others.)

Table 35   Module 1: Co-operative governance and stakeholder relations

Department/Sections	Specific outcomes and/or tasks	Comments and examples	Rating 1-5
	Demonstrate knowledge and insight into existing legislation, regulations and codes affecting activities of municipalities in South Africa.		
	Apply the principles of ethics and professionalism to a municipal code of conduct.		
	Develop an implementation plan to achieve compliance with an established code of ethics.		
	Identify and describe relevant stakeholders and role-players in a community participation process.		
	Select and apply a range of appropriate negotiation and communication techniques and methods.		
	Assess own application of communication techniques and methods and draw up a plan of action for self-development.		
	Evaluate the communication process and make recommendations for improved interaction.		

Other relevant experience gained: ....

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Date discussed ....

Learner's signature .... Coach/Assessor's signature ....

Learner's comments: ....

Table 36 Module 2: Municipal legislative environment and policy

Department/Sections	Specific outcomes and/or tasks	Comments and examples	Rating 1-5
	Interpret the legislative requirements for co-operative government at local government level.		
	Comply with the constitutional provisions regulating provincial supervision of local government.		
	Interpret the legislative requirements of the division of revenue process and intergovernmental transfers to local government.		
	Identify and implement the conditions of IGFR transfers to local government.		
	Apply the techniques of sound financial management in local government.		
	Identify and describe the key elements in the structure of public policy-making in South Africa and the connections and power relations between them.		
	Interpret the elements of initiatives taken through various pieces of legislation to promote sound financial management in local government.		
	Demonstrate, through analysis, an understanding of the environment in which policy-making takes place, with particular emphasis on factors that significantly impinge on policy-making.		
	Demonstrate an understanding of the principles of good governance and ethical behaviour within a municipal setting.		

Other relevant experience gained:
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Date discussed...
Learner's signature....................... Coach/Assessor's signature ....
Learner's comments:
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Table 37   Module 3: Municipal strategic planning and implementation

Departments/Sections	Specific outcomes and/or tasks	Comments and examples	Rating 1-5
	Develop approaches to managing a municipality's revenue.		
	Develop a subsidy framework for municipal rates and tariffs.		
	Apply the different approaches to forecasting municipal income and expenditure over the medium term.		
	Assess the organisational implications of planning income and expenditure over the medium term.		
	Contribute to the design rates, tariffs and user charges.		
	Develop a credit control and debt collection policy.		
	Formulate vision and mission statements in a South African municipality as required by the local government legislative framework.		
	Conduct a stakeholder analysis and develop the framework for a community participation process.		
	Identify key performance areas applicable to institutional strategies as required by the local government legislative framework.		
	Formulate institutional strategies in own area of expertise, aligned with key performance areas.		
	Demonstrate knowledge of the legislative framework for integrated development planning and apply the requirements of relevant legislation.		
	Formulate programmes and develop methods for monitoring the implementation of a strategic plan and related programmes.		

Other relevant experience gained:
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Date discussed: ....
Learner's signature ....   Coach/Assessor's signature ....
Learner's comments:
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Table 38 Module 4: Managing risk in a municipal financial management context

Departments/Sections	Specific outcomes and/or tasks	Comments and examples	Rating 1-5
	Develop and implement an internal control policy for a South Africa municipality as required by the local government legislative framework and principles of good government.		
	Develop and identify critical areas of internal control within a municipal government environment.		
	Identify and establish internal control procedures that are in accordance with relevant municipal legislation and principles of good governance.		
	Identify and implement the procedures that should be applied to study and review internal controls.		
	Demonstrate an understanding of the nature of audit and appraise the fundamental principles and standards that are used to govern its practice.		
	Describe and evaluate the scope of both internal and external audit work and auditor's relationship to municipal financial management.		
	Contrast the increased importance of value-for-money auditing with stewardship auditing in the local government sphere.		
	Identify and describe various steps in the audit process for achieving value for money.		
	Identify and appraise the audit's unique role in a municipal setting.		
	Identify and describe stages in performing an audit.		
	Explain different forms of audit reports used to report findings.		

Other relevant experience gained:
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Date discussed............

Learner's signature.................. Coach/Assessor's signature.............

Learner's comments:
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Table 39 Module 5: Public-private partnerships in municipal service delivery

Departments/Sections	Specific outcomes and/or tasks	Comments and examples	Rating 1-5
	Evaluate different types of public-private partnerships, their contractual arrangements and operational framework.		
	Demonstrate an understanding of the rationale for public-private partnerships and different options available to municipalities.		
	Contribute to the development of a plan to monitor contract compliance and regulation of PPP projects.		
	Comply with required ethical standards applied in municipal supply chain management.		
	Develops and suggests an implementation process for institutionalising PPPs as service delivery mechanisms.		

Other relevant experience gained:
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Date discussed.................
Learner's signature................. Coach/Assessor's signature.................
Learner's comments:
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Table 40 Module 6: Municipal budgeting and implementation

Departments/Sections	Specific outcomes and/or tasks	Comments and examples	Rating 1-5
	Plan a municipal budget calendar in accordance with the legislation.		
	Contribute to preparing a municipal budget that reflects an integrated development plan.		
	Identify the roles and responsibilities of municipal political executives and senior management required by the local government legislative framework for budgeting.		
	Evaluate a municipal budgeting system and budget reports.		
	Develop a legislatively compliant municipal budget and treasury office.		
	Comply with the conditions for municipal delegations.		

Other relevant experience gained: ....

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Date discussed: ....

Learner's signature .... Coach/Assessor's signature ....

Learner's comments: ....

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Table 41 Module 7: Municipal financial reporting and performance management

Department/Sections	Specific outcomes and/or tasks	Comments and examples	Rating 1-5
	Select, measure, record, classify and present financial data in accordance with current financial reporting standards, including the current legal framework for South Africa's municipalities and GRAP.		
	Analyse and interpret municipal financial statements for stakeholders.		
	Prepare and comment on financial statements of a municipality and its entities.		
	Apply and comment on statements of GRAP.		
	Implement performance management systems and mechanisms in a South African municipality as required by the local government legislative framework.		
	Write and develop performance management concepts for the effective measurement of municipal strategic and financial performance.		
	Develop and identify the critical areas of a performance agreement to be used as a form of contract of employment with a municipal staff member.		
	Apply performance management concepts to municipal service delivery.		
	Identify and establish institutional arrangements required for performance management in a municipality.		

Other relevant experience gained:
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Date discussed..........................
Learner's signature.................... Coach/Assessor's signature ....
Learner's comments:
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Table 42 Module 8: Management of municipal assets and liabilities

Department/Sections	Specific outcomes and/or tasks	Comments and examples	Rating 1-5
	Apply the legislative conditions governing cash and investment management.		
	Comply with sound principles for cash and investment management.		
	Implement the requirements of the legislation for contracts that have budgetary implications.		
	Apply the legislative requirements and internationally recognised principles to credit control and debt collection.		
	Apply the legislative requirements and treasury regulations on cash and investment responsibilities of municipal officials and mayors.		
	Provide advice to a municipality on optimising relationships with the financial community.		
	Describe and prepare proposals to access bank finance.		
	Consider the merits of hire purchase transactions and leasing of municipal assets.		
	Plan for contingent municipal liabilities.		
	Develop a municipal asset management plan.		

Other relevant experience gained:
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Date discussed.................
Learner's signature .... Coach/Assessor's signature ....
Learner's comments:
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Table 43   Module 9: Cost management and capital planning

Department/Sections	Specific outcomes and/or tasks	Comments and examples	Rating 1-5
	Prepare a business plan for a municipal capital project.		
	Apply different methods of raising finance for capital in a municipality.		
	Determine and explain the capital expenditure controls.		
	Apply criteria for screening and selecting capital projects.		
	Combine financial and non-financial factors in a project appraisal.		
	Apply the cost-benefit analysis to projects undertaken by municipalities.		
	Identify the strengths and weaknesses of recognised approaches to efficiency comparisons.		
	Apportion overhead costs efficiently in a municipal-specific context.		
	Recognise the importance of classifying costs by behaviour.		
	Identify difficulties of classifying costs by behaviour in a municipal financial management system.		
	Understand the benefits and limitations of classifying costs by relevance to the decision consideration.		

Other relevant experience gained:
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Date discussed...
Learner's signature.................... Coach/Assessor's signature....................
Learner's comments:
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Table 44 Module 10: Municipal supply chain management

Departments/Sections	Specific outcomes and/or tasks	Comments and examples	Rating 1-5
	Apply legislative requirements governing supply chain management.		
	Manage risks in supply chain management processes.		
	Explain the process of delegation of supply chain management powers and functions.		
	Comply with required ethical standards applied in municipal supply chain management.		
	Develop and evaluate a municipal supply chain management policy.		
	Identify, describe and evaluate different elements of supply chain management in the context of service delivery objectives at a municipal level.		

Other relevant experience gained:
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Date discussed ....
Learner's signature .... Coach/Assessor's signature...................
Learner's comments:
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The following section should be completed upon completion of learning activities associated with each module.

Other relevant experience gained:

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Date discussed……………………………………

Learner's signature ……………………………… **Coach/Assessor's signature** ………………………………

Learner's comments:

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Chapter 8
The role of a coach in the skills training programme

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I f you ask accomplished professionals who their coach was as they developed their professional career, it is likely that they will be able to name at least one person immediately. No one gets to the front without some help – and out in front is where an accomplished professional would like to be.

The importance of a role model in the learners' professional development cannot be overemphasised.

In the context of the skills training programme based on NQF Level 6 Municipal Financial Management Qualification, a coach is someone who models behaviour, offers advice and criticism, and allows the learner to advance his or her own career.

These guidelines recommend that learners for this STP should, with the help of the CFO and the municipal manager, identify workplace coaches at the beginning of their training. These guidelines contain a few hints to help learners in selecting these persons, as well as some do's and don'ts about working with coaches.

1. Where learners can find mentors

Learners cannot simply select someone and then just attach themselves to them in order to soak up experience, skills, and information. Coaching works as a two-way ARRANGEMENT. For this reason, the coach must agree to work with the learner, and must have some interest in their future professional development. It follows that one of the criteria is proximity. The learners' coaches must be close enough to them geographically to enable them to obtain timely and relevant feedback. The National Treasury and the LGSETA wishes to suggest to learners that they look within their own municipality for accomplished accounting and finance professionals. The CFO or other officers, and international advisors in the learners' municipality, or neighbouring municipalities may be good potential coaches. A staff member employed by the learner's municipality might be a good coach if that person has coaching, financial management, and leadership skills.

A second criterion is financial management experience. The learners' coach should be someone who has demonstrated financial management leadership qualities from which learners can learn as their own professional skills emerge. Learner's associated with professional bodies can call on them for names of accounting and finance professionals from their regions.

The final criterion is willingness to coach. Some outstanding accounting and finance professionals do not know how to coach, or choose not to be involved in coaching activities. Some are just too busy with their jobs and lives. In cases where a coach is a staff member of the municipality, the guidelines recommend that coaching activities undertaken by the coach be included as part of the key results document. Other accounting and finance professionals have had bad coaching experiences and do not wish to participate. Some simply do not want the responsibility. Such persons are in the minority. Most accounting and finance professionals remember the people who helped them get to where they are, and are more than happy to support eager learners in their professional development.

It is a compliment to the professionals in the field of accounting and financial management to be asked, and a privilege to share experience and insight with the learner. The learners will never know until they ask.

2. What learners can expect from their coach

- **Advice:** Learners can expect their coach to offer them advice on questions or problems based on experience and insight. They should feel free to ask their coaches about previous experiences with similar problems and possible outcomes. They can also ask about potential ramifications that might not occur to them.

- **Continuous feedback:** Learners are expected to inform their coaches about what happened in order to receive feedback on whether the actions they took were the best possible and for the coach to suggest alternatives. This type of interaction is very valuable to learners as it tests their newly acquired skills of looking at all sides of a problem and exploring possible outcomes.

- **Role modelling:** Learners should accompany their coaches in performing their official functions so they can see professional leadership in action. They should ask polite questions about why decisions were made or actions were taken. However, they should be aware that there might be some information that their coaches cannot share with them. They should therefore not feel offended; this behaviour is ethical and is worth emulating.

3. What coaches can expect from learners

- **Assistance:** Coaching is a two-way process: the learner's side of the relationship is filled with action. One of the reasons working accounting and finance professionals may be willing to take on municipal financial management learners in a coaching role is time management. These working professionals cannot do everything themselves, so learners who wish to be trained should expect "to do the walk" for their coach. They may be asked to make copies of minutes of a meeting, go to the library and look up information, get to workshop venues early to help set up and greet participants. They should use each of these opportunities as a way to gain experience for the day when they are the leaders.

- **Respect:** Learners must respect the time and energy of their coaches. Most working professionals are very busy people. Good coaches make time for what they deem core to the entire skills training programme process. Learners must show respect for their coaches by making the best use of the time they have together. They should have their questions written out so that they do not waste time trying to think of them or have to call again later to get clarification. If their coaches decline to see them at a particular time, they should respectfully leave and return at a later time.

- **Loyalty:** Learners must be loyal to their coaches. They may not agree with all of the ideas or plans they hear in their privileged position. Nevertheless, they must never criticise their coach before others or work to undermine the coach's activities. If they cannot ethically agree with what they are seeing, they should end the coaching relationship. That being the case, learners' actions are to be guided by their own conscience. However, learners must not remain in coaching relationships while undermining persons from whom they are seeking the help. That would be considered unethical behaviour.

- **Confidentiality:** Qualified professionals are bound to be leaders and are often privy to sensitive information that would not serve the best interests of the organisation if it were commonly known. Such professionals and the governing bodies they serve are often given a great deal of information from which they must select the best solution. Usually information in executive sessions (from which learners will probably be excluded) and from specific governing bodies' activities, is privileged. Learners may also overhear privileged information while working with their coaches. They will learn with time that information is a powerful tool in management of financial affairs of municipalities. Therefore, they should not be tempted to share it just to improve their own status or importance. Coaches have a right to assume that their learners will be loyal and will keep activities confidential. Learners are encouraged to ask their coaches if there is a question about what is and is not confidential.

4.   Do's and don'ts for learners

- Learners are expected to ask their coaches for advice if they are troubled or deeply concerned about a course of action. However, they are not expected to waste their coach's time on trivial matters that they can figure out themselves or that are not really that important to the skills training programme.

- Learners can request advice if they are unable to make a decision. They should not ask for advice if the decision has been made just to see what their coaches will say.

- Learners can ask for advice and a reasonable amount of their coach's time. However, they should not ask for money, contributions or exposure to certain areas unless their coach suggests it first.

- Learners should try to recognise and thank their coach for the time and energy invested in their career development. They are not expected to offer money. A coaching relationship does not usually involve money.

- Learners should utilise every opportunity to make their coaches look good. They should not criticise or deride their coaches in front of others to make themselves look great. Learners should always treat their coaches as they would want to be treated.

- In a coaching relationship, learners will soak up knowledge, skills and experience. Learners are therefore expected to reciprocate by serving as coaches to some young aspiring finance and accounting professionals at some time in the future.

Chapter 9
Self-assessment checklist

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T his is intended to help the learner assess his/her own level of readiness for assessment. The learner will be encouraged to study relevant sections of module training materials in order to acquire principles and skills needed to execute workplace learning activities, which form part of the workplace rotation plan. A reflection by the learner on the learning outcomes for the relevant module is important in informing the nature of workplace training recommended during meetings with the workplace coach.

Table 45 Module 1: Co-operative governance and stakeholder relations (US ID Nos 116348 and 116343)

Specific outcomes	Reference in the module	Knowledge area covered in the module (Yes/No)	All concepts/ principles understood	Action plan for the implementation of concepts/principles in the workplace and in personal life
Demonstrate knowledge and insight into existing legislation, regulations and codes affecting activities of municipalities in South Africa.				
Apply the principles of ethics and professionalism to a municipal code of conduct.				
Develop an implementation plan to achieve compliance with an established code of ethics.				
Identify and describe relevant stakeholders and role-players in a community participation process.				
Select and apply a range of appropriate negotiation and communication techniques and methods.				
Assess own application of communication techniques and methods and draw up a plan of action for self-development.				
Evaluate the communication process and make recommendations for improved interaction.				

Table 46 Module 2 : Municipal legislative environment and policy (US ID Nos 116344 and 116361)

Specific outcomes	Reference in the module	Knowledge area covered in the module (Yes/No)	All concepts/ principles understood	Action plan for the implementation of concepts/principles in the work place and personal life
Interpret the legislative requirements for co-operative government at local government level.				
Comply with the constitutional provisions regulating provincial supervision of local government.				
Interpret the legislative requirements of the division of revenue process and intergovernmental transfers to local government.				
Identify and implement the conditions of IGFR transfers to local government.				
Apply the techniques of sound financial management in local government.				
Identify and describe the key elements in the structure of public policy-making in South Africa and the connections and power relations between them.				
Interpret the elements of initiatives taken through various pieces of legislation to promote sound financial management in local government.				
Demonstrate, through analysis, an understanding of the environment in which policy making takes place with particular emphasis on factors that significantly impinge on policy-making.				
Demonstrate an understanding of the principles of good governance and ethical behaviour within a municipal setting.				

Table 47   Module 3: Municipal strategic planning and implementation (US ID Nos. 116358 and 116342)

Specific outcomes	Reference in the module	Knowledge area covered in the module (Yes/No)	All concepts/ principles understood	Action plan for the implementation of concepts/principles in the work place and personal life
Develop approaches to managing a municipality's revenue.				
Develop a subsidy framework for municipal rates and tariffs.				
Apply the different approaches to forecasting municipal income and expenditure over the medium term.				
Assess the organisational implications of planning income and expenditure over the medium term.				
Contribute to the design rates, tariffs and user charges.				
Develop a credit control and debt collection policy.				
Formulate vision and mission statements in a South African municipality as required by the local government legislative framework.				
Conduct a stakeholder analysis and develop the framework for a community participation process.				
Identify key performance areas applicable to institutional strategies as required by the local government legislative framework.				
Formulate institutional strategies in own area of expertise, aligned with key performance areas.				
Demonstrate knowledge of the legislative framework for integrated development planning and apply the requirements of relevant legislation.				
Formulate programmes and develop methods for monitoring the implementation of a strategic plan and related programmes.				

Table 48   Module 4: Managing risk in a municipal context (US ID Nos 116351, 116357, 116339)

Specific outcomes	Reference in the module	Knowledge area covered in the module (Yes/No)	All concepts/ principles understood	Action plan for the implementation of concepts/principles in the work place and in personal life
Develop and implement an internal control policy for a South African municipality as required by the local government legislative framework and principles of good government.				
Develop and identify critical areas of internal control within a municipal government environment.				
Identify and establish internal control procedures that are in accordance with relevant municipal legislation and principles of good governance.				
Identify and implement the procedures that should be applied to study and review internal controls.				
Demonstrate an understanding of the nature of audit and appraise the fundamental principles and standards that are used to govern its practice.				
Describe and evaluate the scope of both internal and external audit work and auditor's relationship to municipal financial management.				
Contrast the increased importance of value-for-money auditing with stewardship auditing in the local government sphere.				
Identify and describe various steps in the audit process for achieving value for money.				
Identify and appraise the audit's unique role in a municipal setting.				
Identify and describe stages in performing an audit.				
Explain different forms of audit reports used to report findings.				

Table 49 Module 5: Public-private partnerships in municipal service delivery (US ID No. 119353)

Specific outcomes	Reference in the module	Knowledge area covered in the module (Yes/No)	All concepts/ principles understood	Action plan for the implementation of concepts/principles in the work place and in personal life
Evaluate different types of public-private partnerships, their contractual arrangements and operational framework.				
Demonstrate an understanding of the rationale for PPPs PPP and different options available to municipalities.				
Contribute to the development of a plan to monitor contract compliance and regulation of PPP projects.				
Comply with required ethical standards applied in municipal supply chain management.				
Develop and suggest implementation processes for institutionalising PPPs as service delivery mechanisms.				

Table 50 Module 6: Municipal budgeting and implementation (US ID Nos 116345 and 116364)

Specific outcomes	Reference in the module	Knowledge area covered in the module (Yes/No)	All concepts/ principles understood	Action plan for the implementation of concepts/principles in the work place and in personal life
Plan a municipal budget calendar in accordance with the legislation.				
Contribute to preparing a municipal budget that reflects an integrated development plan.				
Identify and explain the responsibilities of municipal political executives and senior management required, in relation to the local government budgeting process.				
Evaluate a municipal budgeting system and budget reports.				
Develop a legislatively compliant municipal budget and treasury office.				
Comply with the conditions for municipal delegations.				

Table 51 Module 7: Municipal financial reporting and performance management (US ID Nos 116363 and 116341)

Specific outcomes	Reference in the module	Knowledge area covered in the module (Yes/No)	All concepts/ principles understood	Action plan for the implementation of concepts/principles in the work place and in personal life
Select, measure, record, classify and present financial data in accordance with current financial reporting standards, including the current legal framework for Southe Africa's municipalities and GRAP.				
Analyse and interpret municipal financial statements for stakeholders.				
Prepare and comment on the financial statements of a municipality and its entities.				
Apply and comment on statements of GRAP.				
Implement performance management systems and mechanisms in a South African municipality as required by the local government legislative framework.				
Write and develop performance management concepts for the effective measurement of municipal strategic and financial performance.				
Develop and identify the critical areas of a performance agreement to be used as a form of contract of employment with a municipal staff member.				
Apply performance management concepts to municipal service delivery.				
Identify and establish institutional arrangements required for performance management in a municipality.				

Table 52   Module 8: Management of municipal assets and liabilities (US ID Nos 116346 and 116362)

Specific outcomes	Reference in the module	Knowledge area covered in the module (Yes/No)	All concepts/ principles understood	Action plan for the implementation of concepts/principles in the work place and in personal life
Apply the legislative conditions governing cash and investment management.				
Comply with sound principles for cash and investment management.				
Implement the requirements of the legislation for contracts that have budgetary implications.				
Apply the legislative requirements and internationally recognised principles to credit control and debt collection.				
Apply the legislative requirements and treasury regulations on cash and investment responsibilities of municipal officials and mayors.				
Provide advice to a municipality on optimising relationships with the financial community.				
Describe and prepare proposals to access department finance.				
Consider the merits of hire purchase transactions and leasing of municipal assets.				
Plan for contingent municipal liabilities.				
Develop a municipal asset management plan.				

Table 53   Module 9: Cost management and capital planning (US ID Nos 116347, 116340 and 116360)

Specific outcomes	Reference in the module	Knowledge area covered in the module (Yes/No)	All concepts/ principles understood	Action plan for the implementation of concepts/principles in the work place and in personal life
Prepare a business plan for a municipal capital project.				
Apply different methods of raising finance for capital in a municipality.				
Determine and explain the capital expenditure controls.				
Apply criteria for screening and selecting capital projects.				
Combine financial and non-financial factors in a project appraisal.				
Apply the cost-benefit analysis to projects undertaken by municipalities.				
Identify the strengths and weaknesses of recognised approaches to efficiency comparisons.				
Apportion overhead costs efficiently in a municipal-specific context.				
Recognise the importance of classifying costs by behaviour.				
Identify difficulties of classifying costs by behaviour in a municipal financial management system.				
Understand the benefits and limitations of classifying costs by relevance to the decision consideration.				

Table 54 Module 10: Municipal supply chain management (US ID No. 116353)

Specific outcomes	Reference in the module	Knowledge area covered in the module (Yes/No)	All concepts/ principles understood	Action plan for the implementation of concepts/principles in the work place and in personal life
Apply legislative requirements governing supply chain management.				
Manage risks in supply chain management processes.				
Explain the process of delegation of supply chain management powers and functions.				
Comply with required ethical standards applied in municipal supply chain management.				
Develop and evaluate a municipal supply chain management policy.				
Identify, describe and evaluate different elements of the supply chain management in the context of service delivery objectives at a municipal level.				

Chapter 10
Preparation of a professional portfolio of evidence

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The learner is required to develop a portfolio of evidence that demonstrates the competence of the learner to the assessor.

The portfolio must contain the following:

- A copy of the learner's identity document or passport.
- A brief curriculum vitae (CV) showing the following personal details:

  1. Academic achievements and dates (highest educational level).
  2. Employment details such as dates, organisation, jobs held, positions held, extent of function, extent of responsibility, specialist duties performed and other personal experience.

  - Evidence in the form of copies of membership of relevant bodies, relevant licences, relevant qualifications, formal and informal education certificates, diplomas and credits achieved, and attested affidavits of lost records.
  - A copy of the skills development training programme for the learner.
  - Periodic evaluation feedback from the supervisor.
  - The learner's self-evaluation reports.
  - The name of the learner's coach or coaches, job title, contact telephone numbers and e-mail address.
  - A copy of the internship and/or learnership contract.

The process of portfolio development can be labour-intensive and time-consuming. Learners should start collecting potential documents as soon as the programme starts and keep a reflective journal to remind them how these documents contributed to their professional growth and accomplishments.

The professional portfolio of evidence represents a carefully selected collection of exemplary documents that highlight the learner's best work and accomplishments. It should be organised around the skills programme objectives identified in the internship/learnership plan. An easy way for the learner to do this is to divide the portfolio into labelled sections, one for each personal objective. A table of contents is essential to the portfolio, regardless of how the intern chooses to organise work-related experiences. Using a table of contents in conjunction with colour-coded section tabs is recommended for ease of inspection.

At the beginning of the portfolio, an introduction may have to be used to provide an overview of the materials that follow. The introduction may include professional goals and commitments, an overview of the objectives of the skills development programme and their relationship to the intern's professional goals, the rationale for the inclusion of the documents that follow and comments about how the documents support the objectives of the learnership/internship.

The role of the portfolio of evidence

10.1 Objectives

The objectives of this chapter are to:

- demonstrate the importance of preparing and utilising portfolios in the municipal finance management training

- highlight the component parts that are to be included in a learner's portfolio of evidence

- develop an understanding of how an intern can compile and present his or her portfolio in a professional manner

10.2 Preliminary activities

Itemised below are activities to help municipal finance management learners attain the required objectives regarding preparation of a portfolio of evidence. The learners will be close to meeting the stated objectives if they:

- read through this guide to understand the basic dynamics of portfolio preparation; and

- ask the training co-ordinator, career advisor or coach about portfolio preparation and related activities that are most appropriate for their career planning needs.

In the present competitive labour market, effectively showcasing relevant knowledge and skills to an employer is critical to a successful career. Along with a tailored résumé, a portfolio of evidence can help provide further evidence of professional qualifications, skills, knowledge and abilities. The purpose of this chapter to the municipal finance management skills training programme, is to assist interns in organising their own portfolio of evidence and using it as a tool in professional development.

10.3 Meaning of a portfolio of evidence

A portfolio is a personalised collection of materials. There are two types of portfolios: personal and professional. In a personal portfolio, the focus is generally on specific life events, for example one's birth, graduation and wedding. This type of portfolio highlights more personal memories. This chapter focuses on the creation of a professional portfolio.

A professional portfolio of evidence:

- provides a reflection of a learner as a professionally minded person

- provides a record of a learner's educational and work-related activities undertaken for professional development purposes

- shows how a learner performs/excels on the job or in the formal educational environment

- provides information on what a learner has accomplished, i.e. tangible evidence required for the evaluation of technical skills

- provides information on efforts made by a learner at developing and acquiring new skills

10.4 Needs served by a portfolio of evidence

- It forms a basis for the evaluation of technical skills relevant to the municipal finance management training.

- It markets the learner's capabilities in job assessments.

- The learner may use a portfolio of evidence as a tool to negotiate promotions and raises.

- The learner will find a portfolio of evidence useful in support of applications for bonuses, scholarships, or grants.

- A portfolio of evidence may also serve as documentary proof of the quality and quantity of a learner's professional development.

- The learner may use the portfolio of evidence to demonstrate prior work or learning experiences for education credit, normally granted where recognition of prior learning is formalised.

10.5 Material that can be included in a portfolio of evidence

Items to be included in the professional portfolio evidence include the following:

- résumé or curriculum vitae (learners are encouraged to ask the training co-ordinator or their coach for information on curriculum vitae preparation)

- signed training and employment contract

- transcripts from schools and/or universities attended

- evidence of professional affiliations and memberships

- licences or professional certifications

- letters of reference and commendation

- evidence of specific skills (e.g. public speaking, leadership, report writing) and related assessment feedback

- work samples (e.g. class projects, items produced during internship or co-op experiences) and the related assessment feedback

- work-related evaluations by supervisors and peers.

Clearly, the learner's portfolio of evidence can comprise a varied collection. During an assessment of technical skills, it would be impossible and unwise to go through every item with the assessor. A better approach is to select items that are relevant to the assessment of competencies associated with this skills training programme. This assessment portfolio can be presented during an assessment to add evidence of important knowledge or skills a learner possesses that are relevant to the municipal finance management training programme. The learners are advised to take their cue from the assessor's instructions with regard to an appropriate number of items required in any given assessment of programme outcomes.

10.6 Advantages of developing and using an assessment portfolio

Assessment portfolios should include the best examples of learner's skills and abilities that are particularly relevant to the technical skills and knowledge to be assessed. When learners customise their assessment portfolio to the requirements of this skills training programme, it demonstrates that they have done their work assignments and understood the nature of the outcomes to be assessed.

Developing an assessment portfolio helps learners prepare themselves for technical skills assessments by allowing them to think critically about their work experiences and accomplishments. When preparing for an assessment of technical skills, this process will enable learners to highlight specific experiences that led to the development of valuable

workplace skills. In addition, preparing an assessment portfolio allows learners to see how well their professional developments match the outcomes of the municipal finance management qualification.

10.7 Compiling an assessment portfolio

- Place items in a loose-leaf binder

- Use sheet protectors

- Use copies (keep a master copy of all items)

- Make use of index tabs and/or title pages to separate the sections

- Keep it to a manageable size

- Leave out page numbers to make it easier to add and move items around

- Make use of consistent headings and placement of work samples

- Put sections together according to what the assessor will be looking for (training outcomes)

- Ensure that it looks professional and is error-free.

10.8 Presentation format

A. Introductory title page

B. Table of contents

The table of contents can be organised in one of two ways:

- **Chronologically:** Sections are organised according to the job description and date the portfolio samples represent. This organisational scheme will help an individual who has been in a particular field over time to demonstrate increasing improvement and accomplishment.

- **Functionally:** Sections are organised according to job description only. For example, sections may be packaged under the heading of "Computer Skills", "Financial Reporting" and "Legislation". This organisational scheme works well when an individual has varied experiences that need to be pulled together to demonstrate ability in specified areas.

C. Work-related evidence

The sample "technical evaluation form" and daily logbook are to be used to support work-related evidence a learner may produce and present on assessment. Where possible, provide a reflection statement in either paragraph or bulleted format that contains the following information:

- A brief description of the outcome or skill demonstrated and the context in which the skill or outcome was noted (e.g. "Drew up the agenda and arranged a venue for orientation of finance clerks on 30 January 2005" or "Chaired a meeting for the payroll office on 24 November 2004" or "Captured metre readings to generate customer invoices for the months of June and July 2005").

- A detailed list of the competencies developed or revealed through technical evaluation. It is this second part of the reflection statement that makes the portfolio element especially useful in the assessment process.

10.9 Assessment portfolios

Assessment portfolios should:

- look professional

- reflect an individual's actual skills and knowledge

- be occupationally and outcomes-focused

- be easy to update

- be easy for the assessor and supervisor to review quickly

- be able to stand alone without explanation

- support information presented in the résumé

10.10 Using an assessment portfolio

Before learners proceed to attend an assessment, it may be beneficial for them to role-play using their assessment portfolio with friends or colleagues. This exercise will help them feel more at ease in handling their portfolio during an assessment. Once at the assessment venue, learners should "relax" and look for opportune moments to use their portfolios to address assessor questions. Remember that learners'

assessment portfolios include reflection statements, which should make it easier for them to feel confident in showcasing their abilities to an assessor. In addition, learners' assessment portfolios can help remind them of information they wish to share with an assessor should their nervousness get the better of them.

10.11 Electronic portfolios

Electronic portfolios use interactive multimedia to increase the range and type of materials that can be included as evidence of learning. They take full advantage of the advanced capacity of desktop computers to include text, graphics, animation, sound and video. There may come a day when the majority of assessors and supervisors require interns to submit electronic portfolios.