



# Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA  
REPUBLIEK VAN SUID AFRIKA

Vol. 640

26 October 2018  
Oktober

No. 41996

**PART 2 OF 3**

N.B. The Government Printing Works will not be held responsible for the quality of "Hard Copies" or "Electronic Files" submitted for publication purposes

ISSN 1682-5843



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## NATIONAL TREASURY

NO. 1146

26 OCTOBER 2018

**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003  
AMENDMENTS TO MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY LEVELS,  
2007**

The Minister of Finance, acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs, in terms of section 168(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), amended the Municipal Regulations on Minimum Competency Levels, 2007, published under Government Notice R.493 of 15 June 2007 (herein called “the Regulations”), as set out in the Schedule.

**SCHEDULE**

1. Regulation 1 is hereby amended by the deletion of the definition of “performance regulations” in subregulation (1).
2. Regulation 3 is hereby amended—
  - (a) in the table for the item “Higher Education Qualification” in the 1<sup>st</sup> column of the table by the substitution for the words in the 2<sup>nd</sup> column of the following words:

“At least a Bachelor degree or a relevant qualification registered on the National Qualifications Framework at a NQF level 7 with a minimum of 360 credits”;
  - (b) by the substitution in the 1<sup>st</sup> column of the 4<sup>th</sup> row of the words “Core Managerial and Occupational Competencies” for the words “Core and Leading Competencies”;
  - (c) in the table for the item “Core Managerial and Occupational Competencies” in the 1<sup>st</sup> column of the table by the substitution for the words in the 2<sup>nd</sup> column of the following words:

“As prescribed in the Annexure A- Local Government: Competency Framework for Senior Managers as published under Government Notice No. 21 in Government Gazette No. 37245 of 17 January 2014”.

3. Regulation 5 is hereby amended—

(a) in the table for the item “Description” in the 1<sup>st</sup> column by the substitution for the words in-

(i) the 2<sup>nd</sup> column of the following words:

“(a) All municipalities with annual budgets of a value below R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year; and

(b) All municipal entities of a parent municipality with annual budgets of a value below R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year”;

(ii) in the 3<sup>rd</sup> column of the following words:

“(a) All municipalities with annual budgets of a value equal to or above R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year; and

(b) All municipal entities of a parent municipality with an annual budget of a value equal to or above R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa 1 July of each year”;

(b) in the table for the item “Higher Education Qualification” in the 1<sup>st</sup> column by the substitution for the words-

(i) in the 2<sup>nd</sup> column of the following words:

“At least a Bachelor degree in Accounting, Finance or Economics or a relevant qualification registered on the National Qualifications Framework at a NQF level 7 with a minimum of 360 credits”; and

(ii) in the 3<sup>rd</sup> column of the following words:

“At least a Post Graduate Degree or qualification in the fields of Accounting, Finance, or Economics registered on the National Qualifications Framework at NQF Level 8 with a minimum of 120 credits or Chartered Accountant (SA)”;

(c) by the substitution in the 1<sup>st</sup> column of the 4<sup>th</sup> row of the words “Core Managerial and Occupational Competencies” for the words “Core and Leading Competencies”;

(d) in the table for the item “Core Managerial and Occupational Competencies” in the 1<sup>st</sup> column by the substitution for the words-

- (i) in the 2<sup>nd</sup> column of the following words:  
“As prescribed in the Annexure A (Local Government: Competency Framework for Senior Managers) to the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers as published in Government Notice No. 21 of 17 January 2014”; and
- (ii) in the 3<sup>rd</sup> column of the following words:  
“As prescribed in the Annexure A (Local Government: Competency Framework for Senior Managers) to the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers as published in Government Notice No. 21 Government Gazette No. 37245 of 17 January 2014”.

4. Regulation 7 is hereby amended—

(a) in the table for the item “**Description**” in the 1<sup>st</sup> column by the substitution for the words-

- (i) in the 2<sup>nd</sup> column of the following words:
  - “(a) All municipalities with annual budgets of a value below R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year; and
  - (b) All municipal entities of a parent municipality with annual budgets of a value below R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year”; and
- (ii) in the 3<sup>rd</sup> column of the following words:
  - “(a) All municipalities with annual budgets of a value equal to or above R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year; and
  - (b) All municipal entities of a parent municipality with an annual budget of a value equal to or above R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year”;

(b) in the table for the item "Higher Education Qualification" in the 1<sup>st</sup> column by the substitution for the words-

(i) in the 2<sup>nd</sup> column of the following words:

"At least a Bachelor degree or a relevant qualification registered on the National Qualifications Framework at NQF level 7 with a minimum of 360 credits"; and

(ii) in the 3<sup>rd</sup> column of the following words:

"At least a Post Graduate Degree or relevant qualification registered on the National Qualifications Framework at NQF Level 8 with a minimum of 120 credits in a field relevant for the senior management position";

(c) by the substitution in the 1<sup>st</sup> column of the 4<sup>th</sup> row of the words "Core Managerial and Occupational Competencies" for the words "Core and Leading Competencies";

(d) in the table for the item "Core Managerial and Occupational Competencies" in the 1<sup>st</sup> column by the substitution for the words in the 2<sup>nd</sup> column of the following words:

"As prescribed in the Annexure A (Local Government: Competency Framework for Senior Managers) to the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers as published in Government Notice No. 21 of 17 January 2014"; and

(e) in the table for the item "Core Managerial and Occupational Competencies" in the 1<sup>st</sup> column by the substitution for the words in the 3<sup>rd</sup> column of the following words:

"As prescribed in the Annexure A (Local Government: Competency Framework for Senior Managers) to the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers as published in Government Notice No. 21 of 17 January 2014".

5. Regulation 9 is hereby amended-

(a) in the table for the item "**Description**" in the 1<sup>st</sup> column by the substitution for the words-

(i) in the 2<sup>nd</sup> column of the following words:

“(a) All municipalities with annual budgets of a value below R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year; and

(b) All municipal entities of a parent municipality with annual budgets of a value below R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year”; and

(ii) in the 3<sup>rd</sup> column of the following words:

“(a) All municipalities with annual budgets of a value equal to or above R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year; and

(b) All municipal entities of a parent municipality with an annual budget of a value equal to or above R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year”;

(b) in the table for the item “**Higher Education Qualification**” in the 1<sup>st</sup> column by the substitution for the words-

(i) in the 2<sup>nd</sup> column of the following words:

“Relevant qualification in the fields of Accounting, Finance or Economics registered on the National Qualifications Framework at a Level 6 with a minimum of 240 credits”; and

(ii) in the 3<sup>rd</sup> column for the following words:

“Relevant qualification in the fields of Accounting, Finance or Economics registered on the National Qualifications Framework at a Level 6 with a minimum of 240 credits”.

6. Regulation 11 is hereby amended-

(b) in the table for the item “**Higher Education Qualification**” in the 1<sup>st</sup> column by the substitution for the words-

(i) in the 2<sup>nd</sup> column of the following words:

“Relevant qualification in the fields of Accounting, Finance or Economics registered on the National Qualifications Framework at a Level 6 with a minimum of 240 credits”; and

- (ii) in the 3<sup>rd</sup> column for the following words:  
“Relevant qualification in the fields of Accounting, Finance or Economics registered on the National Qualifications Framework at a Level 7 with a minimum of 360 credits”.

7. Regulation 12 is hereby amended—

- (a) in the table for the item “**Description**” in the 1<sup>st</sup> column by the substitution for the words-

- (i) in the 2<sup>nd</sup> column of the following words:  
“(a) All municipalities with annual budgets of a value below R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year; and  
(b) All municipal entities of a parent municipality with annual budgets of a value below R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year”; and

- (ii) in the 3<sup>rd</sup> column of the following words:  
“(a) All municipalities with annual budgets of a value equal to or above R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa 1 July of each year by; and  
(b) All municipal entities of a parent municipality with an annual budget of a value equal to or above R1 billion, to be adjusted by the consumer price index as determined by Statistics South Africa by 1 July of each year”;

- (b) in the table for the item “**Higher Education Qualification**” in the 1<sup>st</sup> column by the substitution for the words-

- (i) in the 2<sup>nd</sup> column of the following words:  
“Relevant qualification in the fields of Supply Chain Management, Accounting, Finance or Economics registered on the National Qualifications Framework at a Level 6 with a minimum of 240 credits”; and

- (ii) in the 3<sup>rd</sup> column for the following words:  
“Relevant qualification in the fields of Supply Chain Management, Accounting, Finance or Economics registered on the National Qualifications Framework at a Level 6 with a minimum of 240 credits”.

8. Regulation 13 is hereby substituted for the following regulation:

“The municipal manager of a municipality or chief executive officer of a municipality entity must ensure that competency assessments of all financial officials and supply chain management officials are undertaken in terms of regulation 16 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers in order to identify and address gaps in competency levels of those officials, as part of the recruitment process.”

9. Regulation 14 is hereby amended by the substitution for—

(a) subregulation (1) of the following subregulation:

“(1) The municipal manager of a municipality and the chief executive officer of a municipal entity must monitor and take any necessary steps to ensure compliance with the prescribed minimum competency levels for financial and supply chain management officials.”; and

(b) paragraph (a) of subregulation (2) for the following paragraph:

“(a) to the National Treasury and to the relevant provincial treasury by 30 January and 30 July of each year; and”.

10. Regulation 15 is hereby substituted for the following regulation:

**“Period within which to attain minimum competency levels in unit standards for competency areas**

**15.(1)** A financial or supply chain management official who does not meet the minimum competency level in the unit standards for a competency area, required for the position in terms of these Regulations, must attain that minimum competency level on or before 2 August 2018.

(2) A person appointed as a financial or supply chain management official on or after the date of commencement of this regulation who does not meet the minimum competency level in the unit standards for a competency area, required for the position in terms of these Regulations, must attain that minimum competency level within 18 months from the date of appointment.”.



11. Regulation 16 is hereby substituted for the following regulation:

**“Attainment of competency levels within prescribed timeframes to be included in performance agreement**

16. (1)(a) If a financial official or supply chain management official must conclude a performance agreement and does not meet the minimum competency level in the unit standards in a competency area required for the position in terms of the Regulations, attainment of that minimum competency level within the time frames set out in regulation 15 must be included as a performance target in that official’s performance agreement.

(b) If a person is appointed a financial official or supply chain management official and does not meet the minimum competency level in the unit standards in a competency area required for the position in terms of the Regulations, the attainment of that minimum competency level within the timeframes set out in regulation 15, must be included in the person’s-

- (i) employment contract which must also state that, if it is not attained within the applicable period, the employment contract will terminate automatically within one month after the applicable period; and
- (ii) performance agreement as a performance target, if such agreement is required.

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

12. Regulation 18 is hereby repealed.

**13. Short title and commencement**

These regulations are called the Municipal Amendment Regulations on Minimum Competency Levels, 2018 and will take effect on the date of publication in the Government Gazette.