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**SOUTH AFRICAN QUALIFICATIONS AUTHORITY
REGISTERED UNIT STANDARD:**

Manage a municipality`s assets and liabilities

SAQA US ID	UNIT STANDARD TITLE		
116362	Manage a municipality`s assets and liabilities		
SGB NAME		REGISTERING PROVIDER	
SGB Public Administration and Management			
FIELD		SUBFIELD	
Field 03 - Business, Commerce and Management Studies		Public Administration	
ABET BAND	UNIT STANDARD TYPE	NQF LEVEL	CREDITS
Undefined	Regular	Level 6	11
REGISTRATION STATUS	REGISTRATION START DATE	REGISTRATION END DATE	SAQA DECISION NUMBER
Registered	2004-10-13	2007-10-13	SAQA 0256/04

PURPOSE OF THE UNIT STANDARD

This Unit Standard is intended for all people who contribute to strategic planning, budgeting and resource use performance related policy-planning processes. Learners completing this Unit Standard will be able to develop and implement asset and liability management policies for South African municipalities.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

It is assumed that Learners are competent in:

- Communication at Level 4.
- Mathematical literacy at Level 4.
- Economics at Level 4.

UNIT STANDARD RANGE

N/A

UNIT STANDARD OUTCOME HEADER

N/A

Specific Outcomes and Assessment Criteria:

SPECIFIC OUTCOME 1

Provide advice to a municipality on optimising relationships with the financial community.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The benefits of a good relationship between the financial community and the municipality are explained including all the advantages and disadvantages of the relationship.

ASSESSMENT CRITERION 2

The key role-players that contribute to important relationships in a municipality's financial community are identified and their roles explained.

ASSESSMENT CRITERION 3

Information is selected and analysed in terms of a municipality's credit worthiness.

ASSESSMENT CRITERION 4

A plan is prepared to improve the credit rating of a municipality which will enhance the long term borrowing capabilities of the municipality.

ASSESSMENT CRITERION RANGE

Credit rating institutions and financial institutions include finance houses, banks, venture capitalists and credit bureaus. A plan is prepared to improve the credit rating of a municipality, which will enhance its long term borrowing capabilities.

SPECIFIC OUTCOME 2

Describe and prepare proposals to accessing bank finance.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Bank overdrafts and bank term loans are compared and a presentation made identifying the benefits and disadvantages of each.

ASSESSMENT CRITERION 2

The credit limits the municipality should apply for considering prevailing financial and economic conditions are calculated using internationally recognised methods.

ASSESSMENT CRITERION 3

Applications for credit from more than one financial institution are prepared, including motivations for extending credit.

ASSESSMENT CRITERION 4

Term structure of interest rate is described including the reasons for the term structure.

ASSESSMENT CRITERION 5

Information on maturity structure of municipal debt is compiled and analysed to inform the debt management process.

SPECIFIC OUTCOME 3

Consider the merits of hire purchase transactions and leasing of municipal assets.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Approaches to hire purchase transactions for a municipality are presented and an explanation given of their appropriateness for a municipality.

ASSESSMENT CRITERION 2

Municipal assets suitable for purchase and use through a leasing agreement are identified and a motivation given for their acquisition through leasing.

ASSESSMENT CRITERION 3

The risks associated with leasing municipal assets are identified and explained so that decisions can be made on the feasibility of a planned lease arrangement.

ASSESSMENT CRITERION 4

A lease agreement and hire purchase agreement are developed, presented and motivated to management.

ASSESSMENT CRITERION 5

Legislative requirements for borrowing are considered and applied in lease agreement evaluation.

SPECIFIC OUTCOME 4

Plan for contingent municipal liabilities.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Contingent liabilities facing a municipality are identified and classified according to a fiscal risk matrix.

ASSESSMENT CRITERION 2

The probable financial implications of a municipality's contingent liabilities are estimated and a motivation given for funding arrangements for the contingent liabilities.

ASSESSMENT CRITERION 3

Changes to policies are recommended to limit the financial implications of contingent liabilities.

ASSESSMENT CRITERION RANGE

Municipal fiscal risks include direct and indirect and implicit and explicit risks. Contingent liabilities include economic, environmental, social, political, institutional and technical risks.

SPECIFIC OUTCOME 5

Develop a municipal asset management plan.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

A project is developed to update and prepare an accurate municipal asset register.

ASSESSMENT CRITERION 2

Information is compiled so that an assessment can be conducted of asset performance.

ASSESSMENT CRITERION 3

Current asset performance is analysed and interpreted against planned performance to ensure proper utilisation of assets.

ASSESSMENT CRITERION 4

Principles are identified for managing assets using recognised accounting practices.

ASSESSMENT CRITERION 5

An asset`s performance is analysed and interpreted to validate quality of inputs, processes, and outputs against recognised standards.

ASSESSMENT CRITERION 6

Changes to an existing moveable asset policy are identified and supported by sound risk management principles.

ASSESSMENT CRITERION 7

Legislative requirement are identified relating to the acquisition and disposal of assets.

ASSESSMENT CRITERION RANGE

Municipal assets include all municipal assets as used in service delivery process.

UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS

UNIT STANDARD ESSENTIAL EMBEDDED KNOWLEDGE

- General knowledge of the finance sector.
- Knowledge of asset management including planning, acquisition, maintenance, disposal and the asset life cycle.

UNIT STANDARD DEVELOPMENTAL OUTCOME

N/A

UNIT STANDARD LINKAGES

N/A

Critical Cross-field Outcomes (CCFO):

UNIT STANDARD CCFO IDENTIFYING

Identify and solve problems using critical and creative thinking processes, e.g. by trying to find the best possible asset management options.

UNIT STANDARD CCFO WORKING

Work effectively with others as a member of a team, group, organization or community, e.g. through communicating with others regarding legislative issues and fostering team commitment amongst the public sector as well as private sector stakeholders.

UNIT STANDARD CCFO ORGANISING

Organise and manage oneself and one`s activities responsibly and effectively, e.g. through the demonstration of ethical and moral principles in all asset management processes.

UNIT STANDARD CCFO COLLECTING

Collect, analyse, organise and critically evaluate information. For example through researching all possible asset management options and presenting conclusions.

UNIT STANDARD CCFO COMMUNICATING

Communicate effectively using visual, mathematical and / or language skills in the modes of oral and/or written persuasion, e.g. through advising and motivating others with regard to asset management options.

UNIT STANDARD CCFO SCIENCE

Use Science and technology effectively and critically, showing responsibility to the environment and health of others, e.g. use appropriate computer software for data capturing and document storage purposes.

UNIT STANDARD CCFO DEMONSTRATING

Demonstrate an understanding of the world as a set of interrelated systems by recognising that problem-solving contexts do not exist in isolation, e.g. in keeping in mind that asset management effects the financial well being of not only the municipality but the country as a whole.

UNIT STANDARD CCFO CONTRIBUTING

Participating as responsible citizens in the life of local, national and global communities, e.g. acting as custodian of ethical behaviour and maintaining a high level of commitment to providing effective asset and liability management policies and practices.

UNIT STANDARD ASSESSOR CRITERIA

N/A

UNIT STANDARD NOTES

N/A

QUALIFICATIONS UTILISING THIS UNIT STANDARD:

	ID	QUALIFICATION TITLE	LEVEL	STATUS	END DATE
Core	48965	Certificate: Municipal Financial Management	Level 6	Registered	2007-10-13

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