Progress is impossible without change, and those who cannot change their minds cannot change anything.


3. Human resource planning

A municipal council must -

(1) assess the human resources necessary to perform its functions, with particular reference to -
   (a) the number of senior managers required; and

(3) **plan within the available budgeted funds**, including funds for the remaining period of the relevant medium-term expenditure framework, for the recruitment, retention and development of human resources according to the municipality's requirements determined in terms of paragraph (a)...

4. Staff establishment

(1) A municipal manager must, **within 12 months** of the promulgation of these regulations, review the municipality's staff establishment having regard to the principles set out in these regulations, **the functions and powers listed in Part B of Schedule 4 to the Constitution, Part B of Schedule 5 to the Constitution, Chapter 5 of the Municipal Structures Act**, and based on -
   (a) a municipality's strategic objectives; and
   (b) **a municipality's core and support functions**.
(2) Notwithstanding subregulation (1), a municipality must at least provide for the following departments on the staff establishment to –

(a) provide development and town planning services;
(b) provide public works and basic services to communities;
(c) provide community services;
(d) manage the finances of a municipality; and
(e) render corporate support services

(3) The municipal manager must review the municipality's staff establishment within 12 months in any of the following instances:

(a) the election of a new municipal council;
(b) the adoption of the integrated development plan of the municipality as contemplated in section 25 of the Act;
(c) material changes to the functions of the municipality; or
(d) the determination of new municipal boundaries.
2. Detail of integrated development plan

(1) A municipality’s integrated development plan must at least identify –

(c) any development initiatives in the municipality, including infrastructure, physical, social, economic and institutional development;

(e) the key performance indicators set by the municipality.

(3) A financial plan reflected in a municipality’s integrated development plan must at least –

(a) include the budget projection required by section 26(h) of the Act;

(b) indicate the financial resources that are available for capital project developments and operational expenditure
8. Adoption of performance management system

A **performance management system must be adopted** before or at the same time as the commencement by the municipality of the process of **setting key performance indicators and targets** in accordance with its **integrated development plan**.

9. Setting of key performance indicators

(1) (a) A municipality **must set key performance indicators**, including input indicators, output indicators and outcome indicators, in respect of **each of the development priorities and objectives** referred to in section 26(c) of the Act.

(2) In setting **key performance indicators**, a municipality must ensure that-

(b) the key performance indicators inform the indicators set for-

(i) **all its administrative units and employees**; and

(ii) every municipal entity and service provider with whom the municipality has entered into a service delivery agreement.
Overview Senqu Municipality

- 3 Towns / 3 Villages +/- 72 Rural villages
- +/- 30 000 Households (20 000 Rural)
- Population +/- 130 000
- 18 Wards
- Budget +/- R 260m (R180m OPEX)
- Staff vs. Operational Exp – 40%
- Staff – 225 : Councillors – 37
- MM – 14 Years in office
- 5 consecutive Unqualified Audit Outcomes
- Numerous Vuna Awards
- One of first two ever CLEAN AUDIT’s in EC
Senqu – Sebata Relationship

• Lady Grey / Barkly East – TurboMunex – 1991
• DOS Ver – Windows Ver 5.6
• Regional – National User Groups – Inputs
• mSCOA > commitment Sebata > Nov 2013/May 2014
• SENQU WILL WALK THE ROAD WITH SEBATA
• MM Comment
OUR APPROACH
Steering Committee

• “Failure is no option”

• MM > Committed Management ***

• Commissioned mSCOA Project Steering Committee

• IDP / Budgeted Project - MTREF

• Consultants (source the best) No Experts - COMMITTED

• 10th meeting / every 4-5 weeks

• Core Functions / Sub Functions & Non-Core Functions - PMU & Housing (Constitution & Demarcation Board)

• Business Processes

• Reviewed Staff Establishment / Organogram

• Job Descriptions

• Job Evaluation – TASK

• Placements ? > 1 July 2015
• Staff Cost > Relevant Sub Function
• Costing Staff Cost > Sebata > TASK (Limit Risk) > Time Sheets > Cost per Hour.
• Sebata HR Module not yet functional
• Sebata Leave Module not yet functional
• SARS Registration Compulsory - E-filing
• Payroll modifications/refinements
• IT Assessment – done > No additional cost > Normal Operations
• Ver 6 > Senqu Server > Connectivity > Minor Challenges (CLOUD)
• Project Implementation Plan > Municipality/Sebata/Other
• **Training NT > PT**
• Implementation IDP / Planning / Projects / Budget / SDBIP / Performance Management (**AG express opinion**)
- **Item = Function = Municipal Classification = Project = Funding = Regional Segment (Kennith)**
- Budget > Work-In-Progress Projects / Multi-Year Projects
- SCM / Stores > Data Cleansing done
- Functionality
- Consbill > Data Cleansing done
- Functionality
- **mSCOA Ledger / Vote Structure (Leandra)**
- Assets > verification movable assets
- Signed MoU (Memorandum of Understanding) ***
- Project Charter
- Business Process > Closing > Opening Balances
- Senqu – Sebata – National Treasury relationship
- Involvement / Training > Staff
- Training Councillors / SALGA / Provincial Treasury
MFMA Sect 77 - Top management of municipalities

(1) The top management of a municipality’s administration consists of—

(a) the accounting officer;
(b) the chief financial officer;
(c) all senior managers who are responsible for managing the respective votes of the municipality and to whom powers and duties for this purpose have been delegated in terms of section 79; and
(d) any other senior officials designated by the accounting officer.

(2) The top management must assist the accounting officer in managing and co-ordinating the financial administration of the municipality.
Sect 78. Senior managers and other officials of municipalities

(1) Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure—

(a) that the system of financial management and internal control established for the municipality is carried out diligently;

(b) that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;

(c) that any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented;

(d) that all revenue due to the municipality is collected;

(e) that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary;

(f) that all information required by the accounting officer for compliance with the provisions of this Act is timeously submitted to the accounting officer; and

(g) that the provisions of this Act, to the extent applicable to that senior manager or official, including any delegations in terms of section 79, are complied with.

(2) A senior manager or such official must perform the functions referred to in subsection (1) subject to the directions of the accounting officer of the municipality.
MFMA Sect 79 Delegations

(1) The accounting officer of a municipality—
   (b) may, in accordance with that system, delegate to a member of the municipality’s top management referred to in section 77 or any other official of the municipality—
   (i) any of the powers or duties assigned to an accounting officer in terms of this Act; or
   (ii) any powers or duties reasonably necessary to assist the accounting officer in complying with a duty which requires the accounting officer to take reasonable or appropriate steps to ensure the achievement of the aims of a specific provision of this Act; and
6.3 Provision of Services

6.3.1 When Senqu Municipality requires SEBATA to perform Services, Senqu Municipality shall prepare a Statement of Work describing in writing the details of the work to be performed. Such description shall include the anticipated parameters and scope of the work, including the Non-Operational and Operational Deliverables to be provided by SEBATA as part of the work, and the timeline for the completion of the work, including the timeline for the completion of each Deliverable.
6.7 Cooperation with Senqu Municipality and Third Party Contractors

6.7.1 If Senqu Municipality performs itself or hires one or more Third Parties to perform some or all of the Services or any related Services, SEBATA shall use Commercially Reasonable Efforts to cooperate and consult with such Third Parties so that SEBATA and the Third Parties provide service to Senqu Municipality in as seamless a manner as is reasonably possible. Such cooperation shall include providing such information regarding the Services as Senqu Municipality and such Third Parties may reasonably request, including providing information of a technical nature.
12.4 Time and materials charges.

12.4.1 If the Services at any time are performed on a time and materials basis, SEBATA will be compensated only for actual hours of work performed and such compensation shall be at the Staff Rates.

12.4.2 In respect of any Services provided on a time and materials basis, SEBATA shall stipulate in the relevant Statement of Work an indicative budget of what the estimated cost of completion of the relevant Services will be ("Budgeted Cost"). SEBATA shall at all times be responsible for tracking the amount spent by Senqu Municipality in respect of the Services against the relative completion of the Services.

12.4.3 In respect of any Services provided on a time and materials basis, if the cost of completion for Services exceed the amounts specified in the indicative budget, SEBATA shall be compensated for the amount stipulated in the indicative budget.
17.6 SCOA Compliance. Should any of modules of the SEBATA EMS solution be deemed to be non-compliant, as assessed by an authorised third party assessor appointed by the National Treasury, Senqu Municipality will have the right to claim for the charges rendered by SEBATA for the module that has been assessed to be non-compliant and according to the charges stipulated in Schedule 1. SCOA non-compliance will be deemed to be a Termination By Senqu Municipality for Cause in clause 19.1.

19.1.2 If Senqu Municipality elects to terminate this MOU for cause under this clause 19.1, Senqu Municipality may elect in its sole discretion to: reject the Deliverables in exchange for a full refund of all amounts paid by Senqu Municipality to SEBATA pursuant to this MOU, in which event Senqu Municipality will not be entitled to continue using the Deliverables.
• LEDGER - VOTE STRUCTURE
BUDGET - PROJECT SEGMENT
SEBATA - DEVELOPMENT ??
VOTE?
SEBATA – DEVELOPMENT APPROACH

- Sebata Ver 5.6 Functionalities > Sebata Ver 6 Functionalities
- User Groups Ver 5.6 needs > Ver 6
- Interaction Ver 5.6 developers > Ver 6 developers
- Success Ver 5.6
- Development in isolation > no input users / pilot
- No mSCOA experts
- Ver 6 – Training
- Ver 6 – Support
- **Senqu / Sebata vs. Individuals**
- **URGENT NEED FOR USER INVOLVEMENT (Regional)**
VOTE

MFMA “vote” means—

(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and

(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

Municipal Classification | Budget & Treasury | Corporate & Support

Function | Finance & Admin | Finance & Admin

Sub Function | Budget | Human Resources
Finance | Legal Services
IT | Marketing Publicity
Asset Management
SCM
• COSTING
• TRANSACTIONS
• AG REQUIREMENTS
• RISKS
COSTING (Implementation 2015/16)

• Primary costing / Secondary costing / Activity Based Recoveries / Departmental Charges / Internal Billing
• Costing not new concept – logic business principle
• Revenue (Tariffs) = Expenditure
• Challenges:
  1. Water & Sanitation – District Function
  2. Electricity – NERSA control tariffs
  3. Electricity – step tariffs / pre-paid
  4. Local Government – Over Regulated
  5. Tax Base – Ownership communal land
  6. Rural Municipalities vs Metro’s

WORK GROUP !!!!!!!!
TRANSACTIONS

TRANSACT 1 JULY 2015 ?
AUDITOR-GENERAL REQUIREMENTS

• Business Process – Closing > Opening Balances (Internal Audit / AG Input)
• NT commitment > AG audit
• Submit AFS > 31 August > Submit AFS with restatements by 30 November (Part of BP)
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<th>RISK</th>
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<td>Sebata Ver 6 not mSCOA compliant</td>
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<td>Senqu Management Commitment</td>
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PROPOSALS
• If you are a Sebata Ver 5.6 user, sign the MoU.
• Comply with NT requirements / other regulations.
• Let’s establish two work groups – South (Senqu) and North (Victor Khanyel)
• Let’s get involved in refining Ver 6 through these work groups
• Knowledge sharing will limit cost
• Let’s make use of the skills development centre and grow mSCOA experts within our user group
NO QUESTIONS PLEASE