



MINISTRY
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

**ADDRESS BY THE HONOURABLE MINISTER OF COOPERATIVE
GOVERNANCE & TRADITIONAL AFFAIRS,
MR DES VAN ROOYEN, at the
SALGA NATIONAL MUNICIPAL MANAGERS' FORUM,
09 June 2016,
Tshwane**

Programme Director,
SALGA Chairperson, Councillor Thabo Manyoni and the SALGA NEC
SALGA CEO, Mr Xolile George,
Auditor-General, Mr Kimi Makwetu,
Municipal Managers,
Ladies and Gentlemen,

Good Morning to all of you,

2016 is proving to be a momentous year.

This year we celebrate SALGA's 20th anniversary.

Let me congratulate you on this magnificent achievement and the role that you have played over the last two decades.

Your four successive clean audits are a clear indication of the high standards you set for yourself and serve as an inspiration and aspiration to all municipalities.

In this time, working together, COGTA and SALGA have transformed the local government sector.

This year we also celebrate the 60th anniversary of the Women's March to the Union Buildings.

The famous call of the women of that day "Wathint'abafazi Wathint'imbokodo" still resonates with us today.

Women continue to play an important role in the local government sector as mayors, councillors and municipal managers.

Looking around the room I do believe that we need more women municipal managers.

Let me acknowledge the leadership role of SALGA's Women's Commission in driving for gender parity in the local government sector.

SALGA Chair,

I am glad that we meet so soon once again after the SALGA National Members' Assembly last month.

After my warm welcome there, I feel at home as when I was the Chairperson of SALGA North West province.

Much has happened since our last meeting.

Last week the Auditor-General noted that there was a considerable improvement in the MFMA Audit Outcomes for the past five financial years, from 2010/11 to 2014/15.

In 2010/11 only 16 municipalities and entities receiving unqualified audits with no findings; this has increased to 72 municipalities and entities.

The number of municipalities receiving disclaimers and adverse opinions decreased from 102 in the 2010/11 financial year, to 43.

This week Stats SA's 2015 Non-Financial Census of Municipalities acknowledged the increase in the provision of services by municipalities from 2014 to 2015.

The provision of solid waste management services increased by 5,3%, electricity services by 4,3%, sewerage and sanitation by 4,2%, and water by 2,5%.

In addition to this Free Basic Services are provided to millions of indigent households.

A total of 2,4 million households benefited from the indigent support system for water.

A further 2.2 million benefited from free basic electricity.

2.1 million benefited from the programme for sewerage and sanitation and,

2,1 million benefited from the support system for solid waste management.

We attribute this in no small measure to the Back to Basics programme that has been at the forefront of the turnaround in the fortunes of municipalities.

What this empirical evidence reveals is that we are on the right track.

In a mere 22 years we have worked passionately to overcome over 300 years of colonial oppression and almost 50 years of apartheid subjugation.

And you as Municipal Managers, who are located in the trenches, are a huge part of that success.

Thank you for your efforts.

These results would not have been possible were it not for SALGA and COGTA working hand-in-hand.

This is the basis upon which we should strengthen our relationship.

On 5th December 2015 we celebrated 15 years of democratic local government.

This year we host the fourth fully democratic local government elections on 03 August 2016.

These are important milestones as they are indicators of the progress we have made as a country in deepening democracy, through revitalisation of the local government sector.

Municipal Managers,

Let me reiterate that the Back to Basics (B2B) programme is government's fundamental means to transform the local government sector.

We appreciate SALGA's support in ensuring that the B2B programme is adopted and implemented in all municipalities.

We therefore salute SALGA's partnership with the Institute of Internal Auditors of South Africa, cemented in March this year.

The MOU will provide South Africa's municipalities with access to standardised norms and methods of internal auditing.

We also commend SALGA for instituting the Municipal Audit Support Programme targeted at those municipalities that obtained adverse audit opinions, disclaimers of audit opinions and those municipalities whose audits were not finalised by the legislated deadline.

Since its inception in the 2013/14 financial year, the number of "red zone" municipalities have decreased from 60 to 39.

We believe these measures will go a long way in achieving the B2B pillar of Sound Financial Management.

It is this kind of pro-active approach that gives us hope that COGTA and SALGA are on the same page when it comes to transformation of the local government sector.

The Back to Basics programme has entered a more intensive phase this year.

The B2B 10-Point Plan is well known by now.

I urge you to assist us in implementing the plan.

Please raise your concerns with the Provincial B2B Co-ordinators – they are our go-to guys for B2B-related challenges.

Ladies and Gentlemen,

It would be amiss of me not to mention the Integrated Urban Development Framework (IUDF) that was passed by Cabinet in April this year.

The IUDF offers a New Deal for South Africa's towns and cities.

It reimagines our urban landscape in our efforts to eradicate the apartheid spatial legacy.

Importantly, it takes into account the different needs of each city and town.

Please do familiarise yourselves with the IUDF as it charts out our vision for the African cities of the 21st century.

Managers,

In the last 15 years together we have done much to deliver services to all our citizens and to restore their dignity.

The conference is gathered under the theme of “Managing the transition.”

It aptly captures the vital role that Municipal Managers play before, during and after the elections in August.

During this period, Local Government will be in your hands, more than ever before.

I do know that the electoral period can be particularly trying for municipal officials in general, and Municipal Managers in particular.

As indicated previously, we are monitoring the appointment and suspension of senior municipal officials in the run-up to the elections and in the post-election period.

I want to assure all Municipal Managers that we have your back.

The National Cogta Ministry will work towards ensuring that there are no irregular actions towards Municipal Managers.

I am sure that you are also aware that the Municipal Systems Act does not allow municipal managers or those reporting directly to them to hold political office in a political party, even in a temporary capacity.

This does not affect one's freedom to associate with the political party of your choice.

Let me also address other issues that have been raised by SALGA.

Firstly, on the issue of the **Competency levels of Financial officials**.

Cogta and National Treasury are working together as a result of the Minmec resolution to standardize the two sets of regulations.

It is accepted by both parties that the implementation of the two sets of regulations is proving to be a challenge to municipalities.

National Treasury has agreed to amend its regulations where it conflicts with Cogta regulations.

There has been progress made in other outstanding issues relating to matters of recognition of prior learning for accounting officers, chief finance officers and other finance officials are concerned.

With regard to the **Whip of the Council**, I understand that SALGA is proposing that the position of the Whip of the Council be legislated through the Structures Amendment Bill, which is currently open for comments.

I suggest that SALGA formalise their input in this regard, and it will be considered with all other comments.

Regulations on Conditions of Service and the Determination on Upper Limits of Salaries of Senior Managers

The department has undertaken to support municipalities to comply with the regulations on the selection and recruitment process of senior managers.

A hands on approach has been developed and certain municipalities have been identified and prioritized on this specific support, from the advertisement stage up to appointment been made by council.

A programme is being developed to fast track the recruitment process from the current 90-day period, to that of 55 days.

A workshop was held with provincial HR coordinators to capacitate them to support municipalities to develop council resolutions in support of the 55-day period of recruitment.

This will ensure a fair and transparent process in professionalizing local government administration.

The proposal by Salga that municipalities be allowed more freedom is the reason why municipalities in the past did not appoint suitably qualified and competent senior managers in the absence of these regulations.

Appointment of service providers for competency assessment of senior managers

The Systems Act provides for the Minister responsible for local government set minimum norms and standards for municipalities, subject to applicable labour legislation.

As part of this all senior managers are to undergo a comprehensive competency assessment to determine their suitability for appointment.

Municipalities in the past used different service providers to conduct these competency assessments, which were not standardized and customized to the local government sector.

The department has since developed local government specific batteries to be used by municipalities to conduct these assessments.

We subsequently trained all psychologists who will conduct these assessments and also trained national and provincial officials on these sector specific batteries.

Four service providers were since appointed and accredited to conduct competency assessments of all senior managers in municipalities.

This initiative is aimed at standardizing the assessment reporting for all municipalities on the outcome of the competency assessments of all senior managers.

Discussions are underway with our provincial counterparts on how municipalities will procure the services of these service providers, in accordance with the MFMA procurement regulations.

SALGA was informed about this process and it was never intended to flout the law.

We will not withdraw the said circular, but working together with provinces we have set aside the following 2 weeks to conduct workshops in all provinces targeting municipalities on the implementation of this process.

Upper limits for senior managers

A Notice on the determination of total remuneration payable to senior managers was published on 19 May 2016.

Engagements were held with provincial departments responsible for local government, ISAMAO, iLGM, IMFO, National Treasury, FFC, SALGA and the Department of Public Service and Administration.

The Department is currently analysing comments from key stakeholders.

We intend to gazette the Notice on or before 30 June 2016.

Workshops will be conducted to capacitate municipalities on the implementation of the Notice.

Premature termination of contracts

Experience has shown that during this transitional period many municipalities enter into settlement agreements (“golden handshakes”) with senior managers for reasons other than misconduct of their performance.

This usually culminates in huge sums of public funds, committed to enhancing service delivery, being spent on defending arbitration cases with huge and unjustified pay-outs to these managers.

Municipalities are urged to ensure that any termination of a contract of a senior manager is based on legal grounds.

Participation of staff members in election

A staff member who is registered to participate in the election in terms of the Electoral Act or Municipal Electoral Act, will be deemed to be on annual leave

from the date of presentation of proof of participation, until the election result is announced.

If the staff member is elected to the Municipal Council, he will have deemed to terminate his employment a day before he assumes office.

CONCLUSION

Members of SALGA,

I hope this gives clarity on a number of issues.

I know the Acting Director-General, Mr Sigidi, will deal with other aspects of the municipal transition process later in the day.

As we gather here in Youth Month and commemorate the 40th anniversary of the sacrifices of the youth of 1976, let our actions honour the memory of those who paid the ultimate price.

Let me thank SALGA and our Municipal Managers for the vital role they play during this critical transitional period.

We have achieved much over the last 20 years.

Together we have redefined the local government sector as one that is responsive and responsible to all our citizens

As we move forward into the 21st century there is no doubt that local government will play a more prominent role in the delivery of services.

Issues such as Local Economic Development and the provision of housing will come to the fore.

At this week's debate on the transformation of sport, with my colleague the Minister of Sport and Recreation, there was even a suggestion that more funds be allocated to SALGA to oversee the development of sport at the local level.

Let us continue to work together to reimagine the local government landscape.

I wish you well in your deliberations.

I thank you.