Guidance Note 3:
Institutional Arrangements for Reforming Metro Trading Services

RESOURCE DOCUMENT: ANNEXURE A

Single Point of Management Accountability – Guideline for Job Description

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Revised & expanded version

Prepared by National Treasury's Cities Support Programme

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1 Introduction

The Metro Trading Services Reform is premised on strengthening the institutional capacity of the business units and municipal entities. A key aspect of this is to ensure that accountability for all aspects of the trading services is vested in a single person. Minimum commitment 2 (M2) requires the appointment of a suitable person to lead the trading service, with an appropriate job description, reflecting all delegated powers and responsibilities, and an appropriate performance contract within the first year of entering the programme. This is referred to as the SPoMA or Single Point of Management Accountability.

The M2 Definition Sheet (Annexure to GN4 Addendum) explains that the key component of the commitment requires acknowledgement of enhanced and additional functions, competencies, requirements, responsibilities, and obligations of the SPoMA of the particular trading service that will have all elements of the classical utility business under its jurisdiction:

- The SPoMA will oversee all the elements of the utility value chain, expanding from the current (mostly infrastructure-related - asset creation and asset management) responsibilities.
- The SPoMA job description (incorporating commercial as well as technical and managerial skills) in almost all cases differs from what is currently applicable; filling the new SPoMA post requires a different set of skills, which in most cases will require a formal recruitment process and in some exceptional cases, the upgrade by the incumbent.
- Such a process should be (1) open and transparent; (2) designed and executed to ensure that a person with the necessary commercial, technical, and managerial experience and stature is appointed.
- The SPoMA performance contract should focus on the achievement of targets regarding the trading services reform, as expressed in the A3-PIAP, as well as other statutory targets such as SDBIP.

This updated guideline revises and expands from the original Guidance Note 3 (Annexure A) to more fully address the requirement and eliminate uncertainty. The guideline was compiled for the SPoMA in consideration of the relevant content of existing job descriptions in several metros, as well as legislative requirements:

- Local Government: Municipal Staff Regulations, 2021, Government Notice No. 890 as published in Government Gazette No. 45181 (MSR)
- MFMA Municipal Regulations on Minimum Competency Levels
- Engineering Council of South Africa (ECSA)
  - R-01-PE: Policy on Registration of Persons in Professional Categories – Professional Engineer
  - R-01-POL-PC: Policy on Registration in Candidate and Professional Categories
  - E-02-PE: Qualification for Bachelor of Science in Engineering/Bachelor of Engineering: NQF Level 8
- Identification of Engineering Work: Government Gazette 44333 of 26 March 2021 (IDoEW)
- Revised Compulsory National Water and Sanitation Services Standards, Government Notice No. 6292 as published In Government Gazette No. 52814 (NWS-SS)

2 Qualifications and Experience

Essential qualifications	W&S	E&E	SWM
Bachelor's degree in engineering (at NQF 8[1]) aligned with: • MSR[2] Level 5 designation of Chief Engineer or Department Head • ECSA's IDoWE, for complex engineering problems and complex engineering activities	x	x	
Registration with the Engineering Council of South Africa as a Professional Engineer • The MSR stipulates either registration or eligibility for registration with ECSA • ECSA's IDoWE, for complex engineering problems and complex engineering activities requires registration as Professional Engineer	x	x	
Bachelor's degree in engineering, logistics, environmental management or natural science (at NQF 8)			x
Relevant bachelor's degree in business or finance (at NQF 7) • To enable turnaround of the service and move from a technical department to a functional trading service, a business qualification is essential	x	x	x
MFMA minimum competence (or commitment to achieve within 12 months)	x	x	x
Computer literacy: MS Office (MSR)	x	x	x

Preferred qualifications:

- A master's degree in business administration (MBA) or equivalent will be an added advantage.

Experience:

At least 10 years of senior management experience[3] in trading services, of which at least 5 must have been at an executive level, in a management position with similar scope and complexity.

Reasons for Essential Qualifications and Experience

The job design requires both a technical and commercial focus to manage the trading service as a business. It necessitates in-depth knowledge of statutory and guiding legislation regulating the provision of a comprehensive and quality community service. Furthermore, the post encompasses critical needs for long-term planning to ensure alignment of strategic plans.

3 Transitional Arrangements

Candidates appointed (or incumbents) who do not meet the guideline criteria may, within a reasonable period, obtain the required qualifications[4] should the municipality appoint such a person on probation. It is recommended that the transitional arrangements be concluded mid-way through the reform at the latest. This coincides with the A3-PIAP reset that must be approved at the end of 2027/28.

- **Registration as PrEng:** Should the candidate possess all the other requirements but is not registered as PrEng, the potential pathways to qualify are:
  - Apply to ECSA for registration as PrEng or
  - Apply to ECSA for transitional authorisation, special consent or category adjustment[5], to perform any work identified in a different category of the registered person.
- **Bachelor's degree in business or finance:** This can be obtained part-time and may be applied where an incumbent satisfies the other criteria but lacks a formal business qualification.

[1] International qualifications may be accepted if they are Washington Accord accredited or evaluated as equivalent by the South African Qualifications Authority (SAQA)
[2] MSR Engineering Professionals' Competency Framework – Engineer (P173)
[3] NWS-SS requires 15 years post-qualification experience for Category A municipality
[4] Evidence of progress on such arrangements will be required to assess achievement of M2
[5] IDoEW Category, Section 18

4 Knowledge and Scope of Work

- Leads and manages complex engineering processes and/or business units/ municipal entities;
- Works independently; and
- May mentor junior engineering personnel.

5 Job Purpose

- To lead the provision of Water & Sanitation / Electricity & Energy / Solid Waste Management trading service in the metro in line with business principles that will support the turnaround of the service to a viable and sustainable utility that enables economic growth and satisfactory service delivery;
- To achieve the Metro Trading Services grant performance indicators;
- To provide vision, strategic direction, and leadership to the BU, to drive high performance and provision of world-class customer services;
- To ensure development and implementation of sound financial management, talent management, and governance strategies that will keep the organisation abreast of technological advances;
- To direct and control the Business Unit by, inter alia:
    - determining strategic objectives and plans to support the sustainable functioning of the BU in accordance with identified priorities and budgetary frameworks;
    - developing and aligning policies and procedures to maintain legislative compliance and regulating risks to achieve acceptable levels of performance;
    - exercising engineering expertise in directing the delivery of large capital projects and programmes including assessing and addressing the scoping and terms of reference for contracts/ tenders based on supply chain management principles and policies;
    - Managing infrastructure assets monitoring and rectifying deviations in the execution of technical, operational and maintenance deliverables; and
    - ensuring cost-effectiveness and efficiency in the delivery of the strategic intent.

6 Competencies

The MSR (Section 13) stipulates competency requirements. Section 56 appointees need to undergo assessments to determine suitability in terms of cognitive (CPP), personality (15 FQ), and an appropriate inbox/case study exercise. Metros need to ensure that the SPoMA appointment is suitable and capable to turnaround and managing the trading service and must have evidence of undeniable prior performance improvements or of turning around operations in their previous occupations. considering that the decline in service in many metros occurred over the past decade with recruited professionals at the lead.

6.1 Core Professional Competencies

1. **Planning**: The ability to systematically identify, analyse, and prioritise options to meet the short-, medium- and long-term requirements of the municipality.
2. **Organisational Awareness**: The ability to understand the key drivers in the Local Government sector and the municipality to apply this understanding to meet the service delivery challenges.
3. **Attention to detail**: Ability to scrutinise own work and that of others to ensure accuracy and compliance with the relevant engineering standards.

6.2 Functional Competencies

1. **Design**: The ability to design infrastructure in accordance with engineering codes and standards, and with due consideration for operational requirements, budgets, safety, cost effectiveness and environmental standards.

2. **Project Management:** Ability to plan, coordinate and control the tasks of self and others in the delivery, operations, and maintenance of infrastructure and other tasks, to the required specification and within budget and schedule.
3. **Construction**: Knowledge of construction and maintenance processes, monitors compliance to design specifications, health and safety regulations, and communicates in appropriate style in the oversight of construction personnel.
4. **Operations and Maintenance**: The application of asset management for operations and maintenance in the provision of municipal services and the ability to apply that understanding in the operational environment.

6.3 Public Service Orientation Competencies

1. **Interpersonal Relationships**: The ability to establish and maintain productive relationships with people within and outside of the municipality.
2. **Communication:** The capacity to listen attentively, grasp issues, present information in a clear manner, and respond appropriately to verbal and written communication of others.
3. **Service Delivery Orientation:** The ability to explore and implement new ways of delivering services that contribute to the improvement of municipal processes to achieve municipal goals.

6.4 Personal Competencies

1. **Action and outcome orientation:** The display of a high work ethic in setting and achieving challenging goals, meeting deadlines, and keeping promises. It manifests itself in one's ability to stay focused on task, to be energetic, persistent, and reliable.
2. **Resilience**: The ability to respond constructively to pressure / stress situations and the ability to persist goals despite obstacles and setbacks.
3. **Change readiness**: The ability to innovate and challenge the status quo, and the ability to cope with change driven by others.
4. **Cognitive ability:** The ability to gather information, analyse issues, and deal with complexity and ambiguity. Shows long-term thinking, follows through in a logical manner, aware of consequences and implications. Can see the 'Bigger Picture'.
5. **Learning orientation**: The willingness and motivation to learn, acquire knowledge, develop insight and focus on continuous self-improvement.
6. **Accountability and ethical conduct**: Ability to display and build the highest standards of ethical and moral conduct to promote confidence and trust in the public service and to adhere to codes of good corporate governance.

6.5 Management / Leadership Competencies

1. **Impact and Influence**: The ability to inspire a positive attitude in others and be able to influence others effectively.
2. **Team Orientation**: The capacity to promote a cooperative climate, understand group dynamics and apply appropriate facilitation techniques in working with others to achieve a shared goal.
3. **Direction Setting**: The ability to create a clear sense of common purpose and vision for others with a view to obtaining buy-in and commitment to the goals.
4. **Coaching and Mentoring**: The ability to assess skills, performance, and potential of subordinates and to encourage their development with the view of optimising their talent.

6.6 Financial and Supply Chain Management

1. **Financial and performance reporting**: Have an understanding and knowledge of the municipal financial reporting requirements, interpretation of statements, communications, and GRAP.
2. **Operation financial management**: Understanding municipal budgeting and implementation, information systems, working capital management, and the budgeting cycle.
3. **Supply Chain Management**: Demonstrate the skills, experience, and capacity to assume and fulfil the responsibilities and exercise the functions and powers in respect of municipal supply chain management, including demand and acquisition, logistics, disposal, risk and performance management and public-private partnerships.
4. **Audit and assurance:** Understand the fundamental principles of internal and external auditing, and role in good corporate governance, accountability and internal control, and performance auditing.