

CONSULTANCY REDUCTION STRATEGY

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1. BACKGROUND

The municipality outsourced financial consultants with vast and varied experience to assist the municipality maintain and improve accurate records by putting systems and processes in place, provide financial integrity and positive audit outcome. Consultants helps in preparing growth by giving expert advice, skills transfer and on the job training to management and officials, the skill transfer will expand knowledge sharing and reduce reliance on consultants.

2. PURPOSE

To implement the consultancy reduction strategy in line with Municipal Finance Management Act, 56 of 2003 section 33 'contracts having future budgetary implication'.

3. OBJECTIVES

1. To provide for measures for-
 - a) identifying what is a consultant
 - b) types of consultants
 - c) the need for outsource
 - d) the type of skill needed
2. To provide mechanisms to reduce outsourced consultancy services.

4. LEGISLATIVE CONTEXT

1. MFMA section 33 - contracts having future budgetary implication.
2. MFMA Circular 82 – Cost containment measures.

5. DEFINITION OF A CONSULTANT

A consultant is a professional in a specific field, who possesses comprehensive knowledge, experience and provide solutions and help improve organization's performance including maintaining a progressive work environment and contributing to a positive audit outcome.

6. TYPES OF CONSULTANTS

DEPARTMENT	CONSULTANCY SERVICES	FOCUS ON
1. Municipal Manager's Office	Strategy management	<ul style="list-style-type: none"> ▪ Strategic planning ▪ Risk Management ▪ Performance management
2. Budget and Treasury Office	Financial advisory	<ul style="list-style-type: none"> ▪ Preparation and review of financial statements ▪ Financial and technical accepts on assets management ▪ Revenue collection ▪ General valuation roll
3. Corporate Services	Human Resource	<ul style="list-style-type: none"> ▪ Organisational structure ▪ Job descriptions ▪ Skills audit ▪ Change management
	Operational and maintenance	<ul style="list-style-type: none"> ▪ ICT applications ▪ Operation, maintenance and back ups
4. Infrastructure and Technical Services	Operational and maintenance	<ul style="list-style-type: none"> ▪ capital projects- - designs and project management ▪ Electrical and mechanical services
5. Political Offices	Political administration	<ul style="list-style-type: none"> ▪ Political advisory services
6. Planning and Development	Operational and maintenance	<ul style="list-style-type: none"> ▪ Geographic Information System

7. USE OF CONSULTANTS

1. Use of consultants is crucial when in-house skills are not available/ limited and services will be of temporary basis-
 - a) Consultancy will be used on a as and when required basis to fulfil a specific mandate.
2. Appointed consultants are expected to provide additional skills and expertise such as: -
 - a) providing analysis or advices.
 - b) assisting with the development and updating systems.
 - c) provide financial and technical advice and expertise.
 - d) carry out investigations.
 - e) prepare specifications and monitor construction projects (project management).
3. introduce revenue enhancement mechanisms (collection service)
4. Produce accurate records and documentations to improve financial and operational operations and performance.
5. Improve audit outcome
6. Transfer skills and on the job training to municipal officials.

8. SKILLS TRANSFER TO MUNICIPALITY OFFICIALS

1. Consultants must transfer skills and provide on the job training to reduce over reliance on consultants.
2. Submit a skill transfer report must amongst others cover the following: -
 - a) component and activities process (s)
 - b) official's designation and unit.
 - c) assessment of officials' level of knowledge and capacity to retain information.
 - d) indicate official's ability to implement skills transferred independently without reliance.
 - e) challenges encountered during the skills transfer processes.
 - f) conclusion and recommendations.
3. The report will be analysed and signed off by the end user after accessing the skills and on job training provided.

4. EVALUATION AND EXECUTION

1. The skills transfer reports will be used as a monitoring tool for reducing use of consultant-
 - a) the report will indicate the ability of officials in retaining information and skills transferred.
 - b) indicate whether official can perform tasks without reliance.
 - c) contribute to the skills audit (placing official correctly).
 - d) Improve officials' knowledge, skill, capacity and moral.
 - e) Boosts motivation and engagement which encourages improved attribution to vital effective workplace performance.
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