

Professionalisation: Building a Competent, Ethical and Future-Ready Public Finance Profession

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Why is professionalisation of the public sector so important?

- It enhances the capacity credibility and of public institutions: a corps of professionally qualified workers enables institutions to perform their functions effectively.
- In the context of financial management in particular, it provides the basis for conduct guided by recognised professional and ethical standards that discourage corruption.
- It promotes sound budgeting practices, effective spending controls, accurate forecasting, proper planning, effective risk management, enhanced revenue collection, improved oversight and better management of resources.
- As a consequence, public credibility of and trust in in public governance as a whole (not just financial management) is enhanced.

Why is professionalisation of the public sector so important?

- Individual employees of institutions also benefit – for example, they may gain recognised professional qualifications, develop professional knowledge and skills, be better rewarded, and have better opportunities for career advancement
- The importance of professionalisation in the financial function is particularly evident: as is stated in National Treasury's 2012 Capacity Development Strategy: Public Finance Management:

  "Good financial management is a prerequisite for an efficient and effective public service. A public financial management (PFM) system that performs well can help South Africa to improve governance, enhance the quality of service delivery, obtain greater value for money in public spending, reduce poverty and combat corruption."

The vision for South Africa for 2030 Chapter 13 ("Building a Capable and Development State") of the National Development Plan

"If we are to address the twin challenges of poverty and inequality, a state is needed that is capable of playing a transformative and developmental role. This requires well run and effectively coordinated state institutions staffed by skilled public servants who are committed to the public good and capable of delivering consistently high-quality services for all South Africans, while prioritising the nation's developmental objectives."

The NDP does not actually define or even use the term "professionalisation"

The closest it comes is to refer to "gaps and skills in *professionalism*"). But Chapter 13 it does provide a hint of what a rudimentary professionalisation framework would look like. It tells us that

"Building a skilled and professional public service requires a vision of how public servants' experience and expertise will develop during their careers. Recruitment and promotion processes need to emphasise skill and experience, and the state needs to focus on its role in producing and enhancing skills."

The NDP has never quite got off the ground.

National Planning Commission's 10 Year Review of National Development Plan 2012-2022:

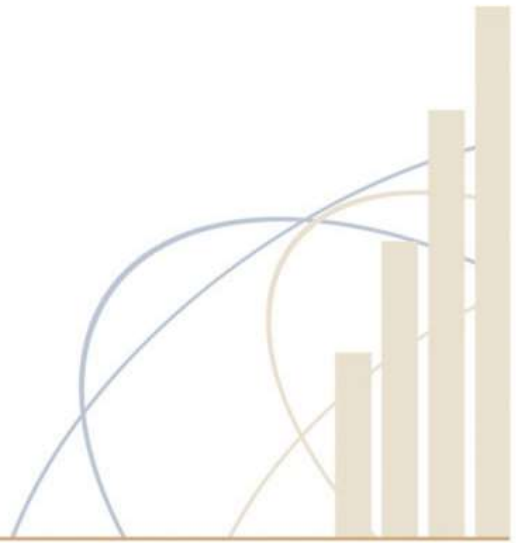
"The Ten-Year Review reveals several governance challenges: instead of a capable state, on which the plan is predicated, we have an increasingly corrupt state; instead of a seamless planning system, we have a disjointed planning system that is poorly implemented and misaligned to the strategic goals of the NDP; instead of a more inclusive and equitable economy, we have economic policies that do not seem to be achieving the transformation that is required."

Causes include:

- Uneven levels of capacity across the public sector;
- Instability in the political-administrative interface;
- Skills deficits in the public sector;
- Shortcomings in performance;
- Failure to apply accountability mechanisms;
- Lack of political will;
- Political interference.

These challenges hinder effective policy implementation and service delivery.

It is perhaps telling that more than 10 years after the idea of professionalism made its shy appearance in the NDP, the professionalisation process is nowhere near complete



It was recognised that notwithstanding the adoption of the NDP, there remained a lack of professionalism in the public sector across all spheres of government – national, provincial and local.

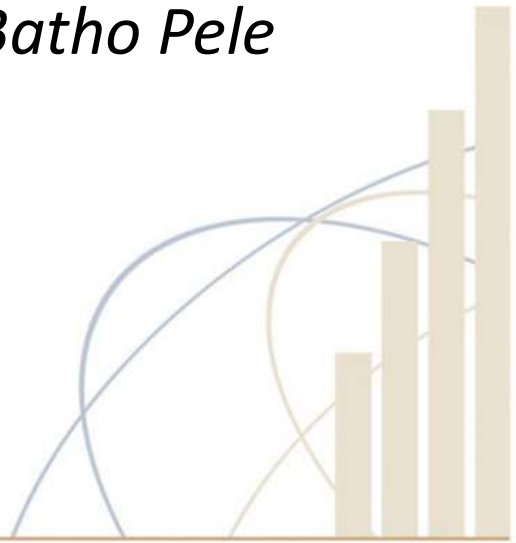
In response, the Government of South Africa adopted *A National Framework Towards the Professionalization of the Public Sector* in October 2022

It calls for the strengthening of the enabling legal and regulatory environment to professionalize occupational categories and promote meritocracy in recruitment, selection, advancement, and overall career management practices

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The Professionalisation Framework provides the following definition of "Professionalisation":

… changing individual attitudes, behaviour and performance towards serving the public. It is a value principle which is about observing and serving people with empathy in accordance with the Constitution, Batho Pele principles and the Public Service Charter."



The Framework states that the professionalisation of the public sector refers to:

- the subscription by all public servants to the basic constitutional values and principles of public administration the values espoused in the Public Service Charter and the commitment to of Batho Pele
- the uninterrupted career longevity of public servants, regardless of any changes of the political arm of institutions, by the creation of an environment of integrity that insulates public servants from any political interference,
- full recognition of the various professional categories within the sector and subjecting them to registration with externally regulated professional bodies and associations

The broad objectives of the Framework

- Entrench a dynamic system of professionalisation in the public sector,
- Strengthen the enabling legal and regulatory environment to professionalise categories of occupations in the public sector across levels of government
- Build partnerships with higher education institutions and professional bodies
- Ensure meritocracy in public servants' recruitment, selection, and career management.

“Five Pillars” of the Framework

According to the Framework, the following “five pillars” constitute a “value chain for professionalising the public sector”:

- pre-entry, recruitment and selection
- induction and onboarding
- planning and performance management
- continuing learning and professional development and
- career progression and career incidents.

Application of Framework to finance function , especially in local context

The Framework presents a litany of proposals for promoting professionalisation of the public sector, some of which relate to local government and to the financial function.

The Framework, however, lacks specificity in regard to its application to the local financial management function.

Accordingly, we need to:

- establish the extent to which the current local government finance management structure reflects each of the Five Pillars
- Consider proposals made in the Framework
- consider the views of practitioners on the current structure and their responses to the proposals, as reflected in interviews and surveys conducted in 2024/2025

Pillar 1: Pre-entry, recruitment and selection

- The current requirements are contained in:
  - The Municipal Regulations on Minimum Competency Levels ("Competency Regulations") (incl. Unit Standards)
  - The Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers (2014),.
  - Section 83 (1) of the MFMA - financial officials of a municipality must meet the prescribed financial management competency levels.
- Framework Proposals – compulsory pre-entry course administered by NSG (Nyukela); academic requirements for entry to senior management in local government should be revisedwith a pool of technical experts to participate in the recruitment and selection process
- Responses from practitioners
  - Qualifications, NSG courses, standards
  - Selection processes – effectiveness, appropriateness

Pillar 2: Induction and onboarding

- Current structure:
  - No express legislative or regulatory requirement that onboarding or induction be carried out
  - Individual municipalities have policies which to a greater or (mostly) to a lesser extent address the issue .
- Framework Proposals – induction and reorientation programmes, coaching and mentoring
- Responses from practitioners – usefulness, how to implement

Pillar 3: Planning and Performance Management.

- Current structure:
  - Individual performance management (as distinct from institutional performance management) for senior managers, including CFOs, in the local government context is regulated by sections 57 of the Systems act and
  - the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers,2006 (“the Performance Regulations”).
- Framework Proposals – incl. Personal Development Plans, Performance agreements linked to professional registration processes, role of professional bodies in enhancing performance management, align performance management with professional body/associations registration
- Responses from practitioners – how useful is PM?

Pillar 4: Continuing Learning and Professional Development

- Current structure:
  - Section 34, MFMA (reflects S 54 of Constiution) - national and provincial governments must by agreement assist municipalities in building the capacity of municipalities
  - Section 68, Systems Act: a municipality must develop its human resources capacity
  - Regulation 29, Performance Regulations requires that a personal development plan form part of a manager's performance agreement,
  - Regulation 30,Performance Regulations imposes obligations on the employer to, amongst other things, support skills development.
  - Section 83(2) of the MFMA, a municipality must provide resources or opportunities for the training of officials.

Pillar 4: Continuing Learning and Professional Development (ctd.)

- Framework proposals
  - The NSG must determine appropriate training and learning
  - Employees must be professionalised and gain certification with professional bodies
  - National Treasury should amend regulations regarding the minimum competency level requirements
  - Employees should be licensed to practice in this space by the relevant professional body, association, or council.
  - For senior managers in local government other than the municipal managers or managers who directly report to them and the CFO, the minimum qualification should also be at NQF level 8, including the head of SCM.
  - A CLPD framework and policies must be developed and implemented.
  - Coaching, mentoring and peer closely linked to performance management

- Responses from practitioners – who should carry out programmes, is membership of professional body desirable, are additional qualifications desirable

Pillar 5: Career progression, succession planning and Career Incidents

- Current structure
  - The term “career incidents” is not defined in any relevant legislation
  - However, can be inferred that it includes recruitment, appointment, performance management, transfer, disciplinary matters and dismissal
  - Various regulations:
    - Appointment Regulations
    - Performance Regulations
    - Disciplinary Regulations for Local Government Senior Managers, 2010
    - The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings,
    - Section 57 A of the Systems Act (as recently amended) read with Regulation 18 of the Regulations

Pillar 5: Career progression, succession planning and Career Incidents (ctd.)

  - Section 171 of the MFMA.
  - The National Treasury :"Consequence Management and Accountability Framework", 2022.
  - Section 67 of the Systems Act
- The above concerned mostly with "career incidents." The regulations are largely silent on "career progression" or "succession planning" These aspects, if they are dealt with at all in the local sphere, are usually left to internal human resources-related policies of individual municipalities

- Framework Proposals: Career Management(career guidance, career education and career adaptation to support public servants in their career management); Minimum number of years of service; Requirements for Promotion - exam must be introduced; Occupation Management: All occupations in the public sector should be specified in terms of job content; entry requirements regarding task, etc.
- Practitioner response: absence of mechanisms for dealing with career progression for senior managers; consequence management effectively applied ? NSG proposals- mixed response

Special Focus: The role of professional organisations

The Professionalisation Framework states that “those who aspire to work in the finance or SCM environments in the public sector … should be licensed to practice in this space by the relevant professional body, association, or council.”

- Membership of professional bodies is not at present compulsory for CFOs,
- Nonetheless, such bodies play an important role in the professionalisaiton of the public sector.
- Strong support for making membership compulsory:
    - Membership gives a higher level of status and responsibility and accountability to the official;
    - provides a regulatory influence over the behaviour and responsibilities of the CFOs

Special Focus: The role of professional organisations (ctd.)

- stringent disciplinary processes and procedures to ensure that members are monitored for conduct and ethical behaviour.
- Provide trust, by ensuring that members are familiar with all developments in their discipline and take this into account when performing their work.
- Serve as impartial, autonomous representatives of their various stakeholders in matters related to the discipline.
- Work with education establishments and training providers to offer existing and potential members appropriate (accredited) qualifications, training and CPLD opportunities.
- SAQA is responsible for the recognition of professional bodies and registration of professional designations for the purposes of the NQF

Special Focus: The role of professional organisations (ctd)

- Points to ponder
  - Is an overall licensing body necessary?
  - What criteria should professional bodies meet in order for their members to be allowed to practice?
  - Who should determine those criteria?
  - Should professional bodies should themselves be registered or accredited, and if so, by whom?
  - Is statutory regulation/ recognition desirable?

The role of higher educational institutions

- A NQF 7 qualification from a “traditional” academic university would ordinarily include minimal, if any, public sector content.
- South African Institute of Chartered Accountants (SAICA) has however developed a competency framework which includes public sector content. SAICA requires all university programmes to implement it across both the undergraduate and postgraduate programme to retain SAICA endorsement.
- Traditional universities currently focus primarily on postgraduate qualifications.
  - The University of Stellenbosch offers a Postgraduate Diploma in Public Finance Management at the NQF level 8.
  - The University of Cape Town previously offered a similar qualification, but it no longer does so. However, it is considering including an optional public sector component in its Master’s of Commerce Degree (NQF level 9).
  - The University of the Western Cape is reportedly developing a postgraduate qualification in public finance.

The role of higher educational institutions (ctd)

- At least one “non-traditional” technical university, namely Tshwane University of Technology, offers a more comprehensive, inclusive option for NQF 7 level public-sector focused financial management education, namely, the Advanced Diploma in Public Finance.
- The National Treasury has previously shown interest in developing a standard curriculum for a public sector-oriented finance/accounting undergraduate degree, which all interested universities could adopt and teach as programmes separate from the private sector-oriented degrees. This would, however, require buy-in from the universities.

The role of higher educational institutions (ctd.)

- Concerns expressed by a leading university about implementing such a curriculum include the following:
  - given the specialized nature of the curriculum, it would be necessary to employ additional staff with public sector expertise;
  - there is no guarantee that a university will attract enough students over the years to justify the investment in the specialized qualification
  - student funding could be problematic
  - there is no assurance that students who complete the course will find employment in the public sector. If they cannot, they have little prospects of finding employment in the private sector because of the public-sector focus of their qualifications.

Where to now?

Issues to consider (amongst others…)

- What should a “professionalised” financial function (especially in the local context) look like?
- What are the critical impediments to professionalisation?
- According to the DPSA D-G, “The Framework is not an implementation Plan, but a guide towards implementation based on five critical professionalisation pillars.” What progress has been made in this regard, especially as far as the financial function is concerned?
- If implemented, will the “Five Pillars” actually address the professional issue?
- How will issues such as political interference, lack of capacity, and lack of political will be addressed?
- What role is envisaged for professional bodies?
    - Should membership be compulsory?
    - Who (if anyone) should guard the guardians?



Thank You!

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