



NDLAMBE MUNICIPALITY

CONSULTANT POLICY

2026/2027

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APPOINTMENT OF CONSULTANT POLICY

1. INTRODUCTION

In terms of section 62 (1) (c) of the MFMA, the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems :-

- of financial and risk management and internal controls; and
- of internal audit operating in accordance with any prescribed norms and standards.

In terms of Section 77 (2) of the MFMA the top management must assist the accounting officer in managing and co-ordinating the financial administration of the municipality.

Lastly in terms of section 78 (1) (a) of the MFMA each senior manager of a municipality and each official of a municipality exercising financial management, must take all reasonable steps within their respective areas of responsibilities to ensure that the system of financial management and internal control established for the municipality is carried out diligently.

In particular, the official must take effective and appropriate steps to prevent, within that official's area of responsibility, any unauthorised, irregular, fruitless and wasteful expenditure and any under-collection of revenue due.

2. DEFINITION

For the purposes of this policy the following definitions apply:	
“Accounting Officer”	Municipal Manager
“Chief financial Officer”	A person designated in terms of Chapter 9 section 81 of the MFMA
“Consultant”	An external person or organisation that provides a service to the department in those areas, where the department either lacks the required specialised skills or capacity.
“Lack of capacity”	Insufficient physical resources within the Department. Relevant knowledge, expertise and experience that may not exist within the Department.

3. OBJECTIVE

To ensure that consultants are contracted only after the completion of a GAP analysis has confirmed that the municipality does not have the requisite skills or resources in its employment to perform the services required and to ensure that consultants are remunerated within a regulated environment that is fair and equitable, thereby maximizing the value added to the Municipality.

4. SCOPE OF APPLICATION

This document informs Municipal officials of the policy on the appointment of consultants.

5. LEGISLATIVE FRAMEWORK

The Municipality operations are governed by an array of different acts and this policy should be understood within that context. The following Acts and prescripts are central in defining Municipal boundaries and areas of influence:

- Municipal Finance Management Act, 2003(Act 56 of2003)
- Treasury Regulations
- National Treasury guidelines and prescripts

6. ACTUAL POLICY

6.1 APPOINTMENT OF CONSULTANTS

A formal needs analysis needs to be conducted before commencing with the appointment of any consultant. A needs analysis must confirm that the municipality does not have the requisite skills or resources in its employment to perform the services required.

All appointment of consultants shall be done in accordance with the Supply Chain Management regulations and the Ndlambe Municipality Supply Chain Policy.

All appointments of consultants in the Municipality shall be in writing recommended by the Bid Adjudication Committee and approved by the Accounting Officer. Programme/Responsibility managers may recommend the appointment of consultants to render specific services, should they be of the opinion that the Municipality lacks the required skills or necessary capacity and those funds are available within their existing budgets. The Departmental Head and Manager where required in conjunction with Bid Specification Committee will be responsible to prepare the “**Terms of Reference**” to the Accounting Officer for the advertisement to request proposals.

6.1.1 PRIMARY REASONS FOR APPOINTMENT OF CONSULTANTS

Consultants are engaged principally for the following reasons:

- (a) To provide specialized services for limited periods without any obligation of permanent employment;
- (b) To benefit from superior knowledge, transfer of skills and upgrading of a knowledge base while executing an assignment;
- (c) To provide independent advice on the most suitable approaches, methodologies and solutions of projects.

6.1.2 MINIMUM REQUIREMENTS WHEN APPOINTING CONSULTANTS

When appointing consultants, it is necessary to strive to satisfy the following minimum requirements:

- (a) Meeting the highest standards of quality and efficiency;
- (b) Obtaining advice that is unbiased, that is, being delivered by a consultant acting independently from any affiliation, economic or otherwise, which may cause conflicts between the consultant's interests and those of government; and
- (c) Ensuring the advice proposed or assignment executed, meeting the ethical principles of the consultancy professions.

6.1.3 SELECTION METHODS FOR THE APPOINTMENT OF CONSULTANTS

The following are the methods most generally used for the appointment of consultants:

- Quality and cost based selection.
- Quality based selection.
- Selection under a fixed budget.
- Least cost selection.
- Single source selection.

The method of selection is determined by the scope of the assignment, the quality of the service, the complexity of the assignment and whether assignments are of a standard or routine nature.

6.1.4 SERVICE LEVEL AGREEMENT OR AGREEMENT

- (a) All appointments shall be by means of a written contract or agreement, between the Municipality and the consultant concerned;
- (b) The Accounting Officer shall sign as the duly appointed representative of the Municipality;
- (c) The Accounting Officer may approve the extension of employment contracts or agreements in terms of Supply Chain Management Policy provided that:
 - I. Sufficient funds are available;
 - II. The extension is required as a result of additional operational requirements;

- III. The original terms of reference have not been deviated from; and
- IV. Delivery has been satisfactory and in accordance with the terms of reference.

6.1.5 TERMS AND CONDITIONS

Written contracts or agreements shall, as a minimum, contain the following:

- (a) Defined deliverables including time and cost;
- (b) The mechanisms allowing for the frequent monitoring, at least monthly, of progress in terms of the agreed objectives;
- (c) The period of employment with specific start and end dates;
- (d) The terms and conditions in terms of a specific regulation, code or collective agreement or tender;
- (e) The notice period required by either side to terminate the contract;
- (f) Retention and penalty clauses for poor performance;
- (g) The rates agreed upon;
- (h) The travel and subsistence cost agreed upon;
- (i) The frequency of payment;
- (j) The method of payment; and
- (k) Skills transfer where relevant

6.2 PAYMENT OF CONSULTANTS

All consultants including construction and infrastructure related services are to be remunerated at the rates equal to or below those:

- a) Determined in the "Guideline on fees for audit done on behalf of the "Auditor-General South Africa" issued by the South African Institute of Chartered Accountants (SAICA);
- b) Set out in the "Guide on Hourly Fee Rates for Consultants", by the Department of Public Services and Administration" (DPSA);
- c) Prescribed by the body regulating the profession of the consultant; and
- d) In any other case, the rate as determined by National Treasury guidelines through the relevant Supply Chain Management process.

Travel and subsistence costs for consultants must be in accordance with the following:

- a) Hotel accommodation may not exceed R1 350.00;
- b) Only economy air tickets for flights;
- c) Only group B vehicles or lower to be hired; and
- d) Kilometres claimed for the use of private vehicles may not exceed the rates approved by the National Department of Transport as updated from time to time.

6.3. ANNUAL AND QUARTERLY MANAGEMENT REPORTING

The Director/Manager that appointed a consultant shall submit, in writing on a monthly basis, a report to the Accounting Officer that includes the following;

- a) The amount paid to the consultant in the month;
- b) Details of skills transferred;
- c) Performance assessment on the work done by the consultant;

The report to the Accounting Officer must be handed to the Chief Financial Officer by the seventh (7th) day of the ensuing month to be included in the monthly Section 71 report.

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