



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

**TO ALL: CHIEF FINANCIAL OFFICERS
PROVINCIAL ACCOUNTANTS-GENERAL
HEADS OF SUPPLY CHAIN MANAGEMENT
HEADS OF HUMAN RESOURCE MANAGEMENT AND
DEVELOPMENT**

**IMPLEMENTATION OF THE REVISED SUPPLY CHAIN MANAGEMENT
TECHNICAL COMPETENCY DICTIONARY AND EXPLANATORY NOTE**

PURPOSE

1. The purpose of this circular is to inform national and provincial departments, constitutional institutions and public entities listed in Schedule 2 and 3 to the PFMA of the revised Supply Chain Management Technical Competency Dictionary (SCM TCD) and Explanatory Note.
2. To request Chief Financial Officers, Provincial Accountants-General, Heads of Supply Chain Management, and Heads of Human Resource Management and Development to adopt and implement the revised SCM TCD and Explanatory Note within their respective departments.

BACKGROUND

3. The capacity development strategy (CDS) for public financial management seeks to achieve and sustain excellence in the management of public funds and enhance service delivery by providing a comprehensive and sustainable approach to addressing the financial management constraints in the public sector.
4. The CDS defines four (4) strategic objectives, namely to:
 - a) Support the development of an enabling environment;
 - b) Enhance organisational capacity;
 - c) Develop and empower a corps of competent and committed high-performance

- employees; and
- d) Create an environment that enables and sustains mutually beneficial stakeholder relationships.
5. The development and implementation of a Competency Framework for Public Financial Management is one of the key activities identified to support the development of an enabling environment.
 6. An extensive consultative process was initiated in 2010 that resulted in the development of the Competency Framework for Public Financial Management that was formally implemented on 19 September 2012.
 7. The Competency Framework addresses the technical, core and behavioural competencies required by public financial management officials in national and provincial departments, constitutional institutions and public entities listed in Schedule 2 and 3 to the Public Finance Management Act (PFMA).
 8. The Competency Framework for Public Financial Management constitutes three (3) parts that must be viewed collectively, namely:
 - a) The Competency Framework Document (**Annexure A**);
 - b) The 2015 revised SCM Explanatory Note (**Annexure B**); and
 - c) The 2015 revised SCM TCD (**Annexure C**).
 9. The SCM TCD was furthermore mapped to unit standards registered on the National Qualifications Framework (NQF) in order to provide guidance in respect of current available educational learning programmes (**Annexure D**).
 10. The Competency Framework for Public Financial Management with all the above-mentioned Annexures is available on the Office of the Accountant-General's website under Publications/Competency Framework for PFM, <http://oag.treasury.gov.za>
 11. The Competency Framework for Public Financial Management is comprised of nine functional areas, namely:
 - a) Management Accounting (Planning & Budgeting);
 - b) Revenue Management;
 - c) Expenditure Management;
 - d) Asset Management (Movable & Immovable);
 - e) Financial Accounting;
 - f) Supply Chain Management;
 - g) Internal Control;
 - h) Enterprise Risk Management; and
 - i) Internal Audit.
 12. The Competency Framework Document provides insight into the guiding principles and design of the Competency Framework. Furthermore, it defines the transversal core and behavioural competencies.

13. The revised SCM Explanatory Note defines the functional area including the limitations in the scope of the TCD and the assumptions that were made relating to the functional area.
14. The Technical Competency Dictionaries (TCDs) define the specific knowledge and skills required to perform optimally within four (4) occupational role levels, namely; administrative, technical, supervisory and managerial.

DISCUSSION

15. From the inception of the Competency Framework, it was recognised that the framework would constitute a living document that will be reviewed to stay abreast with changing legislation and good practice.
16. Public Sector Expert Practice Committees (PSEPC) have been established for each of the respective functional areas with the primary mandate of reviewing and approving proposed amendments to the Competency Framework.
17. Competency frameworks are intended to underpin human resource development systems within organisations, such as; recruitment and selection, performance management, training and development, career planning and succession management. An effective competency framework also facilitates self-management and empowerment as it allows officials to assess their knowledge, skills and attributes (i.e. competencies) against the agreed standard of performance required for the relevant occupational level.
18. A comprehensive review of the SCM TCD was performed with a view to ensure alignment and completeness with the Certificate in SCM, relevant unit standards, SCM Master Learning Curriculum and good practice.

APPLICABILITY

19. This circular is applicable to all national and provincial departments, constitutional institutions and public entities listed in schedule 2 and 3 of the Public Finance Management Act (PFMA).

DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR

20. All heads of provincial treasuries, chief financial officers are required to disseminate the contents of this circular to all heads of supply chain management, heads of human resource management and public entities that fall under their jurisdiction.

CONCLUSION

21. The adoption and implementation of the revised SCM TCD and the Explanatory Note within your respective institutions will contribute towards enhancing financial management in South Africa.
22. Ultimately, this will contribute towards improved service delivery to the citizens of South Africa.
23. Should you require further information regarding the revised SCM TCD and Explanatory Note, you are welcome to contact Mr Lusani Madzivhandila on 012-315 5617 or via email at lusani.madzivhandila@treasury.gov.za.

Kind Regards



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