

## TECHNICAL COMPETENCY DICTIONARY

### Explanatory Note

#### Supply Chain Management

##### Introduction

The National Treasury has developed a series of technical competency dictionaries (the *Competency Framework - CFFM*) covering the major occupational groups in the field of public financial management. These dictionaries set out a series of descriptions of the skills and knowledge required of a competent practitioner in carrying out a number of standard tasks at various levels of responsibility within the overall function.

A total of 10 technical competencies dictionaries have been developed with the intention of contributing to human resource development in public financial management. This particular framework deals with *supply chain management* – the procurement of goods and services on behalf of the department, and the provision of the necessary systems and procedures to support that process including arrangements for managing and controlling inventory.

##### Developing the Framework

The supply chain management competencies dictionary was produced following a period of research carried out on behalf of the National Treasury under the Capacity Building Model for Financial Management (CBMFM) project. This research included the following:-

- PFM related legislation,
- applicable regulations, instructions and practice notes,
- national and international standards and guidance on best practice,
- current practices applied in the workplace.

The research was supported by a series of consultative workshops with practitioners, who provided guidance on drafting the competencies, and evaluated and commented on the competency statements as they were developed. The attached technical competency dictionary represents the outcome of that developmental process. However, this dictionary and explanatory note remain living documents and will continue to be updated in the light of experience as

they are used. Any comments on their contents and applicability will be welcomed, and should be submitted to the Capacity Building section of National Treasury.

### **Definition and Scope**

Supply chain management (SCM) is an integrated function which deals with the acquisition (or procurement) and deployment of goods and services for the department. The role of SCM extends from assisting with the specification of the goods or services required, through the tendering and bidding process to the receipt and delivery of the goods and, where goods are required for inventory purposes, their storage and issue for operational use as well as final disposal thereof. This dictionary, however, reflects the fact that the ownership of the goods and services acquired rests with the departments which SCM serves, and they are responsible for ensuring that the correct goods and services are specified for procurement, and that they are used appropriately in service. The responsibility of SCM practitioners is to provide advice, support and technical and professional expertise to assist line managers in fulfilling these responsibilities.

The main functions performed by supply chain management cover the following areas:-

- The acquisition of goods and services; and
- The disposal and letting of state assets, including the disposal of goods no longer required.

***This TCD specifically relates to SCM in relation to general goods and services and excludes immovable asset management as well as infrastructure and construction procurement.***

***Asset management is recognised as a core element in the SCM system; however, the asset management competencies (movable, immovable and intangible) are addressed in the asset management dictionary.***

***Infrastructure and construction procurement is another core element of the SCM System and it is the intention to develop a competency dictionary for this element of procurement aligned with the asset management and SCM TCD's as well as its specific legislative requirements included in the CIDB Act.***

A supply chain management system must be fair, equitable, transparent, competitive and cost effective; and;

- consistent with the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- consistent with the Broad Based Black Economic Empowerment Act, 2003(Act No. 53 of 2003); and
- provide for at least the following: –
  - demand management;
  - acquisition management;

- logistics management;
- disposal management;
- risk management; and
- regular assessment of supply chain performance

This dictionary however, deals only with specific supply chain management issues – matters pertaining to other financial procedures such as accounting, budgeting and audit are dealt with in other dictionaries, though a number of competencies in this dictionary do address aspects of engagement with some of these functions. The dictionary is based on the functioning of a typical supply chain management unit within the office of the Chief Financial Officer.

### **Assumptions**

To operate successfully, supply chain management has to work with line managers in all parts of the department. In order to guard against impropriety, rules and procedures have to be strictly adhered to by all parties. It has been assumed throughout the dictionary that there is a high level of cooperation between line managers and supply chain practitioners at all stages of the procurement, logistical, inventory management and disposal processes.

The dictionary has also been designed on the assumption that supply chain management practitioners working in national and provincial departments of government are subject to broadly the same working practices and work with common IT and other operational systems. At the same time it is recognised that there can be variations in detailed practice between central and provincial administrations, and between individual provincial administrations, so the specifications have been carefully drafted at a level of generality that ensures that such variations have been accommodated.

### **The Supply Chain Management Dictionary – Knowledge and Skills**

The technical competencies dictionary takes the form of a database containing two main elements:-

- the knowledge (and understanding) required to carry out efficient and effective supply chain management;
- the skills required to carry out efficient and effective supply chain management.

However, the levels of skill and knowledge required vary substantially according to the level of responsibility of the individual employee in the organisation. To address this, both skills and knowledge descriptions are provided at four different levels.

### *Skills*

All descriptions of *skills* required are offered in four tiers (*occupational roles*) which broadly correspond with the levels of administrative, technical, supervisory and managerial responsibilities.

### *Knowledge*

The actual *knowledge* required to support any competency is the same for all four occupational roles. However, the depth of that knowledge, and the extent of underpinning understanding required varies according to the responsibilities being exercised. Therefore knowledge requirements are also specified at four levels which broadly equate with the descriptions working, technical, in-depth and expert.

It should be noted that whilst the level of knowledge and understanding specified in the dictionary generally escalates with occupational levels, there are instances where the level of knowledge is not the same as the occupational level i.e. a greater or lesser depth of knowledge is required than would normally be expected in that occupational role.

More comprehensive details are provided in the attached **Table 1**.

### **The Supply Chain Management Dictionary – Competency Descriptions**

The knowledge and skills are listed against the principal components of the function. The function is therefore broken down into a series of *competency clusters* which are high-level segments of the function consisting of one or more sub-components. Each cluster is then broken down into these sub-components – *competency titles* – which are the level at which the definitions of the skills and knowledge are provided. Each definition is supplemented by a *competency description* which summarises the scope of the competency defined. **Table 2** (attached) contains a list of the competency clusters and competency descriptions used in this dictionary with an indication in each case of the occupational roles to which they relate.

In the dictionary, general areas of knowledge (such as primary legislation) are stated at the beginning in the *Legislative Regulatory Framework* component of the function; and other regulations and guidance appear in the *Policies and Procedures* component. Because of database limitations, however, some of this knowledge has had to be summarised, so a full statement of the knowledge required under these two competency titles is set out in attached **Table 3**. This knowledge is applicable throughout the dictionary and is not normally repeated at the competency title level. Knowledge statements at that level relate to more detailed or supplementary knowledge required specifically for that competency, and are included in full in the technical competencies dictionary.

## Generic Competencies

The technical competency dictionary deals only with competencies that are specific to tasks in financial management. However, many of the tasks carried out within the function covered in this dictionary require more general competencies of a clerical, administrative or managerial nature. These *generic*, or *core*, skills are required for competence in many fields besides financial management, and have therefore been defined in a separate *core competencies dictionary*. In addition research has identified a number of *behavioural* competencies which further supplement the technical competencies in this dictionary. Bringing all three sets of competencies together will enable government financial managers to identify, understand and articulate clearly the range of skills and attributes needed by staff at all organisational levels for the competent discharge of their responsibilities.

## Conclusion

The Supply Chain Management competency dictionary, along with its nine companion dictionaries, marks a significant step forward for government financial management. Departments now apply its content to address issues in:-

- recruitment and selection,
- staff training and development,
- performance management,
- career planning and
- succession management.

**Table 1 – Definitions of Terms Used in the Supply Chain Management Technical Competencies Dictionary**

Description	Definition
<b>Competency Cluster</b>	High level segment of the function.
<b>Competency Title</b>	A short description defining the specific competency of the sub-component.
<b>Competency Definition</b>	A brief description of the competency title.
<b>Skills Requirement</b>	Statement of the skills required within each occupational role and competency title.
<b>Specific Knowledge Requirement</b>	Specific knowledge requirements are noted that are directly related to a particular competency title

Knowledge Descriptors	
<b>Knowledge Level 1</b>	Requires a working knowledge with a practical understanding applied in straightforward circumstances
<b>Knowledge Level 2</b>	Requires a working knowledge with a good understanding applied in circumstances of limited complexity
<b>Knowledge Level 3</b>	Requires a thorough knowledge with an in-depth understanding applied in complex circumstances
<b>Knowledge Level 4</b>	Requires an expert knowledge with a comprehensive understanding to be applied in highly complex circumstances

<b>Role Descriptors</b>		
<b>Role Descriptors</b>	<b>Examples of Relevant Positions</b>	<b>Post Levels</b>
<b>Role 1 - Administrative</b>	<ul style="list-style-type: none"> <li>• SCM Clerk</li> </ul>	Post levels 1- 6
<b>Role 2 - Technical</b>	<ul style="list-style-type: none"> <li>• SCM Practitioner</li> </ul>	Post levels 7 - 8
<b>Role 3 - Supervisory (Tactical)</b>	<ul style="list-style-type: none"> <li>• Assistant SCM Manager</li> <li>• Deputy Director (SCM Manager)</li> </ul>	Post levels 9 -12
<b>Role 4 - Managerial (Strategic)</b>	<ul style="list-style-type: none"> <li>• Director (Senior Manager)</li> <li>• Chief Director</li> <li>• Deputy Director General</li> </ul>	Post levels 13 - 16

**Table 2 – Structure of the Supply Chain Management Technical Competencies Dictionary**

<b>Competency Cluster</b>	<b>Competency Title</b>	<b>Occupational Role 1</b>	<b>Occupational Role 2</b>	<b>Occupational Role 3</b>	<b>Occupational Role 4</b>
Legislative Environment	Legislative regulatory framework	√	√	√	√
	Departmental policies and procedures	√	√	√	√
Institutionalisation	Establishment of SCM system, unit and capacity building	√	√	√	√
	SCM Governance: Compliance /SCM Abuse/ SCM Complaints, enquiries, appeal mechanism/ Ethics	√	√	√	√
	Committee System	√	√	√	√
	Secretariat service	√	√	√	√
Planning	Strategic Planning		√	√	√
	Annual Performance Plan		√	√	√
Demand Management	Needs Analysis	√	√	√	√
	Funding			√	
	Compilation of specifications and/or terms of reference	√	√	√	√
	Annual Procurement Plan		√	√	√
	Infrastructure/construction	√	√	√	√
	Strategic Sourcing		√	√	√
	Supplier database	√	√	√	√
Acquisition Management	Compilation of bid documentation	√	√	√	√
	Receipt and opening bids	√	√	√	√
	Evaluation and adjudication of bids	√	√	√	√
	Compilation of a list of prospective service providers		√	√	√
	Analysis of procurement requests	√	√	√	√
	Sourcing suppliers	√	√	√	√

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Competency Cluster	Competency Title	Occupational Role 1	Occupational Role 2	Occupational Role 3	Occupational Role 4
	Acquisition processes: 1) Petty cash 2) Verbal - Quotations 3) Written - Quotations 4) Competitive bidding 5) Limited bidding 6) Transversal bids 7) Consultants 8) Information Technology 9) Organs of state 10) Roster 11) List of selected/preferred suppliers 12) Emergency 13) Infrastructure/Construction 14) Unsolicited bids	√	√	√	√
Contract Management	Contract administration		√	√	√
	Contract management			√	√
	Contract risk management			√	√
Logistics Management	Inventory management			√	√
	Placing orders	√	√	√	√
	Receiving goods	√	√	√	√
	Goods distribution	√	√	√	
	Returning goods	√	√	√	√
	Warehouse management	√	√	√	√
	Stock taking	√	√	√	√
	Matching documentation		√	√	√
Disposal Management	Accounts payable/preparation of payment documentation	√	√	√	√
	Preparation for disposal	√	√	√	√
	Disposal process	√	√	√	√
	Control of disposal documentation	√	√		



**Table 2 – Structure of the Supply Chain Management Technical Competencies Dictionary**

Competency Cluster	Competency Title	Occupational Role 1	Occupational Role 2	Occupational Role 3	Occupational Role 4
Risk and Performance Management	Risk Management of the SCM System	√	√	√	√
	Fraud prevention in the SCM System		√	√	√
	SCM Performance Review		√	√	√
	Supplier performance	√	√	√	√
	Reporting of SCM Performance	√	√	√	√
	Optimal system utilisation	√	√	√	√
	Safeguarding of SCM Information	√	√	√	√

*\* Fundamental/ Core/Stream 1&2 Elective refers to the Public Sector SCM certificate programme which consist of a fundamental, core and elective component. There are 8 core and 4 fundamental unit standards. The 2 public sector streams constitute 6 unit standards each and refers to Stream 1: Purchasing and Supply in the Public Sector and Stream 2: Logistics Management and Distribution for the Public Sector*

**Table 3 – General Knowledge Requirements for the Supply Chain Management Technical Competencies Dictionary**

Acts of Parliament		Internal Regulations, Systems and Guidance	External Standards and Guidance	Other Relevant Knowledge
SCM Related	Others			
Constitution of South Africa – Section 217			Delegation framework	
Public Finance Management Act (PFMA), 1999	National Small Business Act (NSBA) 1996 (Act 102 of 1996)	National Treasury Supply Chain Management Regulations March 2005	<b>Populated delegations for:</b> <ul style="list-style-type: none"> <li>• PFMA Financial</li> <li>• PFMA SCM</li> <li>• MFMA Financial</li> <li>• MFMA SCM</li> </ul>	Principles of Internal Control
Preferential Procurement Policy Framework Act (PPPFA) 2000 (Act 5 of 2000)	National Environmental Management Act (NEMA) 1998 (Act 107 of 1998)	Supply Chain Management – a Guide for Accounting Officers and Authorities	GIAMA Asset Register Delegations	National Industrial Participation Programme
Prevention and Combating of Corrupt Activities Act (PCCAA) 2004 (Act 12 of 2004)	Financial Intelligence Centre Act, 2001 (Act 38 of 2001)	SCM Regulations 2003 - repealed	SCM Bid Committee SOP and templates for: PFMA & MFMA	Principles of asset management
Broad-Based Black Economic Empowerment Act (BBBEEA) 2003 (Act 53 of 2003)	Value Added Tax Act, 1991 (Act 89 of 1991)	SCM Practice Notes, Instructions and Circulars	SCM Complaints mechanism SOP and templates for PFMA & MFMA	Principles of infrastructure and construction
Competition Act (CA) 1998 (Act 89 of 1998)	Promotion of Administrative Justice Act (PAJA) 2000 (Act 3 of 2000)	Provincial Treasury Instructions	SCM Appeals Protocol (MFMA)	EPWP principles and programmes
Employment Equity Act (EEA) 1998 (Act 55 of 1998)	Promotion of Access to Information Act, 2000 (Act 2 of 2000)	Delegations of Authority ( Delegation Framework)	SCM Abuse SOP and templates for PFMA & MFMA	
Prevention of Organised Crime Act, 1998 (Act 121 of 1998)	Protected Disclosures Act, 2000 (Act 26 of 2000)	Departmental SCM Policies and Procedures (Accounting Officers Systems ( AOS system)	SCM Risk Management SOP and toolkit (PFMA)	
Foreign Corrupt Practices Act, 2004	Labour Relations Act, 1995	Preferential Procurement Policy Framework Act Guidelines	SCM Contract administration and management SOP (PFMA)	
Financial Intelligence Centre Act, 2001 (Act 38 of 2001)	Code of Conduct for the Public Service promulgated in 2007	Government Procurement – General Conditions of Contract (GCC)	SCM Emergency Procurement SOP (PFMA)	
Companies Act 2009	Code of Conduct for SCM Officials	Minimum Anti-Corruption Regulations (MACC) Public Service Commission	SCM Policy and System (MFMA)	
State Information Technology Agency Act (SITA), 1998 (Act 88 of 1998)	Code of Conduct for Bid Adjudication Committees	BEEE Code of Good Practice	SCM Framework (PFMA)	
Construction Industry Development Board Act (CIDBA), 2000 (Act 38 of 2000)	Public Protector Act, 1994 (Act 23 of 1994)		SCM implementation of NT Instruction Note 37/2011	
Reconstruction and Development Fund Act, 1998 (Act 79 of 1998)	Employment Equity Act (EEA), 1998 (Act 55 of 1998)		SCM Spent analysis template (MFMA)	
	Income Tax Act, 1962		SCM Risk Analysis template (MFMA)	

Acts of Parliament		Internal Regulations, Systems and Guidance	External Standards and Guidance	Other Relevant Knowledge
SCM Related	Others			
	National Environmental Management Act (NEMA), 1998 (Act 107 of 1998)		SCM Organisational Structure template (MFMA)	
			PPPFA Policy (MFMA)	
			AO SCM SYSTEM, Volume 1 – [PFMA]	
			PFMA Financial Manual, Volume 1	
			MFMA Checklist for effective SCM function	
			Limited Bidding SOP	
			Western Cape PTI 16 A & B	
			PFMA Roster System – conceptual framework	
			MFMA/MSA unsolicited bid process	
			MFMA Appeals Protocol	
			PFMA SCM - Spend Analysis (example of DTPW)	
			PPPFA Regulations training material	
			MFMA Land Disposal Committee SOP	
			Terms of Reference template	
			Bid evaluation template	
			Tender Specification checklist	
			Planning for competitive tender process	
			Checklist for contract negotiations	
			Inventory count and verification SOP	
			LOGIS process flow, order pack compilation and filing procedure SOP	
			Requisitioning of ICN and item record creation SOP	
			Asset count and verification SOP	
			NT inventory management framework and guideline	
			Contract management in Government handbook	
			IFW management SOP	
			Financial Manual Governance Document Index	