

TECHNICAL COMPETENCY DICTIONARY

Explanatory Note

Revenue Management

Introduction

The National Treasury has developed a series of technical competency dictionaries (the *Competency Framework*) 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 *revenue management* – planning, accounting for and safeguarding the revenues of government departments.

Developing the Framework

The revenue 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 comment on their contents and applicability is welcome and should be submitted to the Capacity Building section of National Treasury.

Definition and Scope

Revenue management involves all the procedures necessary to ensure that the income of government departments is properly planned and fully accounted for, and that cash once received is safeguarded and banked promptly. The technical competencies dictionary, however, reflects the fact that the ownership of the tasks is shared with the departments which financial managers serve – the role of the revenue management specialist is to provide advice, support and technical and professional expertise to assist line managers in fulfilling their responsibilities.

The main functions performed by revenue management specialists cover the following areas:-

- planning for future income levels including the determination of income sources and tariffs;
- the physical collection of revenue through the cashier system;
- accounting for revenue collected in the government accounting system,
- ensuring safe and secure arrangements for handling cash and transferring it to government bank accounts.

This dictionary however, deals only with specific revenue management related issues – matters pertaining to other financial procedures such as budgeting, accounting and auditing are dealt with in other dictionaries, though a number of competencies in the dictionary do address aspects of engagement with some of these functions. The dictionary is based on a typical government department which collects and accounts for its own income and deposits it in the appropriate government revenue funds. It does not deal with higher level revenue management activities related to the formal operation of provincial and national Revenue Funds administered directly by the applicable treasuries.

Assumptions

Departmental revenue is accounted for on the cash basis of accounting, i.e. the revenue is only recorded in the accounting system when the cash is received. The revenue management dictionary is based on the cash basis accounting principle and not on the accruals basis where the revenue is recorded when the services/goods are rendered.

The dictionary has also been designed on the assumption that financial managers working in national and provincial departments of government are subject to broadly the same working practices and use 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 Revenue 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 revenue management;
- the skills required to carry out efficient and effective revenue 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 Revenue 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.

Because of database limitations in the dictionary, general areas of knowledge (such as primary legislation) and other regulations and guidance, some of this knowledge has had to be summarised, so a full statement of the knowledge required under these 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 other than 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 Revenue Management competencies dictionary, along with its nine companion dictionaries, marks a significant step forward for government financial management. Departments may 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
Revenue Management Technical Competencies Dictionary**

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

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

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

Table 2 – Structure of the Revenue Management Technical Competencies Dictionary

Competency Cluster	Competency Title	Occupational Role 1	Occupational Role 2	Occupational Role 3	Occupational Role 4
Legislative Environment	Legislative regulatory framework	√	√	√	√
	Departmental policies and procedures	√	√	√	√
Planning	Departmental revenue sourcing, fees and tariffs	√	√	√	√
Collection and Recording of Revenue	Revenue collection	√	√	√	√
	Accounting for revenue	√	√	√	√
	Banking	√	√	√	√
Reconciliation	Reconciliation of revenue	√	√	√	√
Management of debtors	Debt take on	√	√	√	√
	Recovery of debts and allocation of monies received	√	√	√	√
Safeguarding	Safeguarding of cash, source documents and face value forms	√	√	√	√
Reporting	Revenue reports	√	√	√	√

Table 3 – General Knowledge Requirements for the Revenue Management Technical Competencies Dictionary

Acts of Parliament		Internal Regulations, Systems and Guidance	External Standards and Guidance	Other Relevant Knowledge
Finance Related	Others			
Constitution of the Republic of South Africa (Act 108 of 1996)	Applicable Sectoral and Departmental Legislation	Treasury Regulations/ Instructions	IPSAS	Principles of Internal Control
Public Finance Management Act	Government Pension Law	Practice Notes and Circulars	Internal Audit Standards	
Municipal Finance Management Act		GRAP standards		
Division of Revenue Act		Public sector accounting principles, standards and procedures		
Public Services Act and Regulations		Standard Chart of Accounts		
		Departmental Revenue Management Policies and Procedures		
		Delegations of Authority		
		General Note in Government Gazette 23727 (8 August 2002)		
		National Treasury Annual Financial Statement Preparation Guide		
		Economic Reporting Format		
		Financial Accounting Handbook for public sector		

		OAG Guidelines		
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