

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. 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.

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
 - reporting of supply chain information

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 |
|---------------------------------------|--|
| 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 applied in straightforward circumstances |
| Knowledge Level 2 | Requires a working knowledge with a good understanding applied in circumstances of limited complexity |
| Knowledge Level 3 | Requires a thorough knowledge with an in-depth understanding 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"> SCM Clerk | Post levels 1- 6 |
| Role 2 Technical | <ul style="list-style-type: none"> SCM Practitioner | Post levels 7 - 8 |
| Role 3 Supervisory (Tactical) | <ul style="list-style-type: none"> Assistant SCM Manager Deputy Director (SCM 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 Supply Chain 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 | √ | √ | √ | √ |
| Demand Management | Needs Analysis | √ | √ | √ | √ |
| | Funding | | | √ | |
| | Compilation of specifications and/or terms of reference | √ | √ | √ | √ |
| Acquisition Management | Compilation of bid documentation | √ | √ | √ | √ |
| | Receipt and opening bids | √ | √ | √ | √ |
| | Evaluation and adjudication of | √ | √ | √ | √ |
| | Compilation of a list of prospective service providers for quotations | | √ | √ | √ |
| | Analysis of procurement requests for quotations | √ | √ | √ | √ |
| | Sourcing suppliers for quotations | √ | √ | √ | √ |
| | Handling urgent and emergency cases | √ | √ | √ | √ |
| Contract Management | Contract Administration | √ | √ | √ | √ |
| | Supplier Performance | √ | √ | √ | √ |
| | Contract Management | √ | √ | √ | √ |
| Logistics Management | Requisition of goods and services | √ | √ | √ | √ |
| | Placing orders | √ | √ | √ | √ |
| | Receiving goods | √ | √ | √ | |
| | Goods distribution | √ | √ | √ | |
| | Warehouse management | √ | √ | √ | √ |
| | Stock taking | √ | √ | √ | √ |
| | Matching documentation | | √ | √ | √ |
| | Preparation of payment documentation | √ | √ | √ | √ |
| Disposal | Preparation for disposal | √ | √ | √ | √ |

| Competency Cluster | Competency Title | Occupational Role 1 | Occupational Role 2 | Occupational Role 3 | Occupational Role 4 |
|---------------------------------|--------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Management | Disposal process | √ | √ | √ | √ |
| | Control of disposal documentation | √ | √ | | |
| Risk Management | Risk Management of the SCM System | √ | √ | √ | √ |
| Assessment of SCM performance | Performance review of the SCM system | | √ | √ | √ |
| Reporting of SCM information | Reporting of SCM information | | √ | √ | √ |
| System utilisation | Optimal system utilisation | √ | √ | √ | √ |
| Safeguarding of SCM information | Safeguarding of SCM information | √ | √ | √ | √ |

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 | | | | |
| Public Finance Management Act (PFMA), 1999 | National Small Business Act (NSBA) 1996 (Act 102 of 1996) | National Treasury Supply Chain Management Regulations March 2005 | | 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 | | National Industrial Participation Programme |
| Prevention and Combating of Corrupt Activities Act (PCCAA) 2004 (Act 12 of 2004) | Construction Industry Development Board Act (Act 38 of 2000) | SCM Practice Notes and Circulars | | |
| Broad-Based Black Economic Empowerment Act (BBBEEA) 2003 (Act 53 of 2003) | State Information Technology Agency (SITA) Act (Act 88 of 1998) | Provincial Treasury Instructions | | |
| Competition Act (CA) 1998 (Act 89 of 1998) | Promotion of Administrative Justice Act (PAJA) 2000 (Act 3 of 2000) | Delegations of Authority (Delegation Framework) | | |
| Employment Equity Act (EEA) 1998 (Act 55 of 1998) | Promotion of Access to Information Act, 2000 (Act 2 of 2000) | Departmental SCM Policies and Procedures (Accounting Officers Systems (AOS system) | | |
| Prevention of Organised Crime Act, 1998 (Act | Protected Disclosures Act, 2000 (Act 26 of | Preferential Procurement Policy | | |

| Acts of Parliament | | Internal Regulations, Systems and Guidance | External Standards and Guidance | Other Relevant Knowledge |
|--|--|---|---------------------------------|--------------------------|
| SCM Related | Others | | | |
| 121 of 1998) | 2000) | Framework Act Guidelines | | |
| Foreign Corrupt Practices Act, 2004 | Labour Relations Act, 1995 | Government Procurement – General Conditions of Contract (GCC) | | |
| Financial Intelligence Centre Act, 2001 (Act 38 of 2001) | Code of Conduct for the Public Service promulgated in 2007 | Minimum Anti-Corruption Regulations (MACC) ,Public Service Commission | | |
| Companies Act 2009 | Code of Conduct for SCM Officials | BEEE Code of Good Practice | | |
| | Code of Conduct for Bid Adjudication Committees | | | |

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