

**NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA**
Enquiries: Schalk Human Tel: 012 315 5615 Fax: 012 315 5791

20 September 2012

**ACCOUNTING OFFICERS
PROVINCIAL ACCOUNTANTS-GENERAL
CHIEF FINANCIAL OFFICERS**

GENERIC FUNCTIONAL STRUCTURE FOR THE OFFICE OF THE CHIEF FINANCIAL OFFICER (CFO)

PURPOSE

1. The purpose of this circular is to inform all national and provincial departments of the generic functional structure and minimum functions in the Office of the Chief Financial Officer (CFO).

BACKGROUND

2. The Minister for the Public Service and Administration issued a Directive in 2006 in terms of section 3(3)(e) of the Public Service Act of 1994 on organisational structuring to specify which changes to the organisational structure of a department must be consulted prior to the approval thereof by the relevant Executive Authority (EA). This is in line with Public Service Regulation 1(III) B.2 which states that an EA shall determine the organisational structure of a department after consultation with the Minister of Public Service and Administration to ensure that department's design and functional organisational structure support effective and efficient service delivery.
3. National Treasury in collaboration with the DPSA developed a generic functional structure for the Office of the CFO. The structure is an outcome of comprehensive consultation with all key stakeholders by the Functional and Organisational Structure Corporate Management unit's task team under the leadership of DPSA.

DISCUSSION

4. The process of arriving at the proposed structure included extensive consultation with public sector experts through the PSEPC (Public Sector Experts Practitioners Committee), Provincial Accountants-General Forum (PAG's), National CFO Forum and review of existing structures in national and provincial departments.
5. The structure represents minimum functions that should be carried out in the Office of the CFO in order for the department to comply with requirements of the Public Finance Management Act (PFMA).

6. Three options on how to apply the proposed Generic CFO structure were agreed upon and can be summarised as follows:
 - a) OPTION 1- this is a typical financial management functional structure including all traditional financial management functions.
 - b) OPTION 2- this option incorporate asset management into supply chain management
 - c) OPTION 3 – this option combines expenditure and revenue management - this is where the department's revenue collection is limited.
7. The Generic Functional Structures for the priority sector departments (Health, Education, Social Development, Office of the Premier including the Corporate Management unit) have been approved and recommended for implementation by the relevant sector teams, but awaits sign off by the Minister for Public Service and Administration (MPSA) before they become an official directive. The MPSA will issue a Directive under programme 1 to formalise the generic functional structures through official communication channels of the DPSA.
8. The generic functional structure for the Office of the CFO and various options are available on the Office of the Accountant-General's website, [http://oag.treasury.gov.za/Publications/19. Capacity Development Strategy/Generic Structure for Office of CFO](http://oag.treasury.gov.za/Publications/19.Capacity%20Development%20Strategy/Generic%20Structure%20for%20Office%20of%20CFO).

CONCLUSION

9. The generic functional structure for the Office of the CFO will ensure consistency across departments and contribute to financial management capacity across spheres of government.
10. Departments are advised to align their current CFO structures to the new Generic Functional Structure for the Office of the CFO in line with DPSA's guidelines on organisational design principles and proposed functional structure.
11. Should any additional information regarding the generic functional structure for the Office of the CFO be required, you are welcome to contact Mr Jeffrey Hlongwane on Tel: (012) 315 5900 or via email at jeffrey.hlongwane@treasury.gov.za or Mr Schalk Human on 012 315 5886 or via email at schalk.human@treasury.gov.za. Alternatively, Mr Siyabonga Msimang from the Department of Public Service and Administration can be contacted on Tel: (012) 336-1403 or via email at Siyabonga@dpsa.gov.za

Your cooperation in this regard will be appreciated.

Kind regards



FREEMAN NOMVALO
ACCOUNTANT-GENERAL
NATIONAL TREASURY
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