****

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 1996 [NW2211E]**

**DATE OF PUBLICATION: 30 June 2017**

**1996. Mr N F Shivambu (EFF) to ask the Minister of Finance:**

Whether the Office of the Chief Procurement Officer conducted a skills audit in procurement across all spheres of Government; if not, why not; if so, how many people are qualified to do Contract Management?

NW2211E

**REPLY:**

The Office of the Chief Procurement Officer (OCPO) has not conducted a skills audit in procurement across all spheres of Government. It is the responsibility of each Accounting Officer / Head of Department to conduct a skills audit within his / her institution to ensure that SCM officials are trained and deployed in accordance with the requirements of the “*Guide for Minimum Training and Deployment of Supply Chain Management officials*” issued as Practice Note Number SCM 5 of 2004 on 27 October 2004, in accordance with the Regulations in terms of the Public Finance Management Act, 1999: Framework for Supply Chain Management that was promulgated in Government Gazette Number 25767 on 5 December 2003.

However, the OCPO in partnership with the Chief Directorate: Capacity Building in the Office of the Accountant-General (OAG) have conducted a Supply Chain Management (SCM) Baseline Study which seeks to determine the number, demographic profile and qualifications of SCM officials (practitioners and managers) that are currently employed in the national, provincial and local spheres of government. There were two phases to the project, the first being the collection of organisational data and the second being an individual survey.

Phase 1 required each government department or municipality to provide the number of approved funded, filled and vacant posts in the SCM Unit, including the names of SCM officials, their job title and email address, together with an approved organisational structure of the SCM Units or an approved organogram depicting the SCM function in the organisation.

Phase 2 required SCM officials to complete an online individual survey depicting an individual’s personal details; demographic profile (nationality, race, gender, age, occupational role and salary level); formal academic qualifications completed, currently studying or interested in undertaking; SCM training courses completed or interested in completing; number of years employed in public sector SCM, including the number of years employed in the different elements of the South African public sector SCM Model (demand, acquisition, contract, logistics, disposal, supply chain risk and performance management as well as asset management).

The results of the baseline study will inform the development of responsive and appropriate capacity development solutions and enable state institutions to channel resources into the areas where they will contribute the most to capacity development interventions, employee training and development, as well as enhancing staff morale and organisational performance.

The SCM baseline study with regards to Contract Management in the three spheres of government reveals the following:

**Number of staff employed in Contract Management and SCM Units**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **National Departments 43 out of 47** | **Provincial Departments 121 out of 123** | **Municipalities****203 out of 257** | **Total** |
| Contract Management | 88(3%) | 181(3%) | 171(7%) | **440****(4%)** |
| Total number of staff in SCM (filled posts) | 3 345 | 5 596 | 2 363 | **11 304** |

**Number of staff who completed Contract Management courses**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **National** | **Provincial** | **Municipalities** | **Total** |
| Contract Management (PFMA) | 103 out of 1995 courses completed(5%) | 266 out of 2993 courses completed(9%) | 4 out of 418 courses completed(1%) | **373****(7%)** |
| Contract Management(MFMA) | 2 out of 1995 courses completed(0%) | None | 19 out of 418 courses completed(4.5%) | **21****(1%)** |

In addition, in respect of SCM human resource development:

The National Treasury in partnership with the Department for Public Service and Administration (DPSA), Department of Cooperative Governance (DCoG), the National School of Government (NSG) and other stakeholders through public sector forums, committees, meetings and reference groups developed the Public Financial Management (PFM) Capacity Development Strategy (CDS). Government departments, chief financial officers, provincial accountant-generals, provincial treasuries and capacity development specialists contributed to this process.

The CDS represents the National Treasury’s coherent strategy and plan of action to support the development of good public financial management. The strategy provides a national perspective to address financial management capacity constraints in the public sector. These challenges include scarce skills; high levels of vacancies and staff turnover; a lack of suitable education, training and development programmes; limited knowledge management; inadequate monitoring and evaluation; ineffective performance management; non-adherence to legislation; poor audit results; and an absence of effective partnerships. The CDS is based on a range of diagnostics that amongst others indicated a need for improving PFM practitioner skills and knowledge through targeted education training and development solutions. There is a strong focus on supporting individuals to achieve their personal and professional aspirations.

During 2015, we published the Supply Chain Management (SCM) Review which made reference to the following SCM capacity development initiatives that are underway:

* Generic functional structures for CFOs’ offices and for provincial treasury SCM support functions;
* SCM competency framework that defines the knowledge and skills required to operate effectively within an SCM unit;
* SCM master curriculum; and
* Development of an individual skills development assessment toolkit (i-Develop) to help individuals (practitioners) and institutions to identify their SCM human resource development needs.

The SCM i-Develop is an online tool for individual self-assessment of SCM competencies and other PFM competencies. During 2016, SCM i-Develop was piloted in select KZN provincial departments profiling 146 SCM practitioners. All the assessed SCM practitioners completed their self-assessment of 105 competency statements covering competency clusters for:

* Demand Management
* Acquisition Management
* Logistics Management
* Contract Management
* Disposal Management
* Risk and Performance Management and
* General Competencies (such as strategic capabilities, change management, and computer skills).

The self-assessment was found to be applicable to the actual work of the SCM practitioners. The online tool was easy to use however the reporting functionality required further enhancements.

Number of officials assessed per department (KZN Province):

|  |  |
| --- | --- |
| **Department** | **Number of officials assessed** |
| Department of Arts and Culture | 8 |
| Department of Co-operative Governance and Traditional Affairs | 7 |
| Provincial Treasury | 7 |
| Department of Economic Development, Tourism and Environmental Affairs | 16 |
| Department of Transport | 12 |
| Department of Community Safety and Liaison | 8 |
| Department of Agriculture and Rural Development | 8 |
| Provincial Legislature | 6 |
| Department of Sport and Recreation | 6 |
| Department of Health | 10 |
| Department of Education | 12 |
| Department of Social Development | 20 |
| Department of Human Settlements | 17 |
| Department of Public Works | 9 |
| **Total** | **146** |

The overall objectives of the project were to:

* Identify the knowledge, skills and attributes (KSAs) that SCM staff need, the KSAs that SCM staff have, and the areas for development, thereby enabling an organisation to channel resources into the areas where they will contribute the most to human resource development, individual and organisational performance, and staff morale.
* The toolkit is also intended to direct and advise participants on relevant education, training and development (ETD) solutions available and to prioritise the ETD solutions based on research and consultation, and linked to organisational, team and individual objectives.

The second phase of implementation includes the rollout of the SCM i-Develop toolkit in another three (3) provinces, namely, the Gauteng, North West and Western Cape. The project implementation is currently funded by the European Union through the Financial Management Improvement Programme (FMIP). This will allow for the web-based SCM i-Develop toolkit to be tested further and enhanced. In April 2018, the final version of the SCM i-Develop toolkit will become available to all Provincial and National Departments.

The third phase of implementation aims to sustain the development and implementation of the SCM i-Develop toolkit. The National Treasury, Chief Directorate: Capacity Building, in the Office of the Accountant-General, will facilitate workshops with the Provincial Treasuries and Provincial Departments. Ownership and responsibility to conduct the competency assessments will be bestowed on the Accounting Officers supported by the respective HR units and SCM managers.