

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1995 [NW2379E]
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1995. Dr M J Figg (DA) to ask the Minister of Finance:

- (1) What are the minimum qualification requirements for chief financial officers (CFOs) in each of the government's national departments;
- (2) whether all current CFOs in all national departments possess the required qualifications; if not, why not?

NW2379E

REPLY:

- (1) Treasury Regulation 2.1 requires accounting officers to appoint chief financial officers as part of the senior management team to discharge some of his or her duties, as prescribed in Chapter 5, Part 2 of the Public Finance Management Act, (PFMA) 1999, (Act No 1 of 1999). These duties relate to the effective financial management of the institution, including exercising of sound budgeting and budgetary control practices; the operation of internal controls and the timely production of financial reports.

Considering the above, it is therefore essential that a CFO possesses formal qualifications which include subjects related to Financial Accounting (for the timely production of accurate and complete financial information), Management Accounting (for sound budgeting and expenditure monitoring practices), Internal Audit (for the operation of sound internal controls) and Supply Chain Management (for the efficient procurement of goods, works and/or services).

- (2) During the 2012/2013 financial year, the National Treasury conducted a survey to determine the qualifications of chief financial officers in the 40 national departments that were in existence at the time. The survey revealed that 30 chief financial officers (representing 75% of departments) were in possession of relevant finance related qualifications (Degree or Diploma), two (2) chief financial officers (representing 5% of departments) had either a Grade 12 or a non-finance related qualification whilst eight (8)

chief financial officers (representing 20% of departments) did not provide information towards the survey in relation to their educational qualifications.

Considering that the appointment of a chief financial officer in a department is the responsibility of the relevant accounting officer, the National Treasury is not in a position to provide reasons why the abovementioned two (2) chief financial officers were appointed without having the relevant finance related qualifications.