

Factors hindering public financial management and accountability in South Africa

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ABSTRACT

Service delivery, poverty reduction and economic development and sustainability depend on the availability of money and the ability to use it effectively, which requires good financial management. Financial management fulfils an important role in the public sector, because without public funds to cover operational and capital costs, and without appropriate personnel, no public institution can render effective services. This paper analyses factors that affect the effectiveness of public financial management in South Africa.

Many factors hinder public financial management and accountability, including the high turnover rate of accounting officers and of parliamentary committees such as the Standing Committee on Public Accounts (SCOPA), and a lack of political will. Although South Africa has suitable oversight bodies, policies, procedures and Acts, the poor state of financial management in South African government departments is demonstrated by the low number of clean qualified audits which show that the requirements of the Public Finance Management Act, Act 1 of 1999, the legislative oversight bodies, and the wider legal framework governing public finances have been flouted. If financial management in the public service is not addressed holistically, it may hamper, rather than assist, government departments in their service delivery programmes.

INTRODUCTION

South Africa has put in place a range of policies, procedures and Acts to improve financial management in government departments, but the limited success of these strategies thus



far is illustrated by the low number of clean qualified audits from the Auditor-General. These qualified audits of various government departments reveal that the requirements of the *Public Finance Management Act*, Act 1 of 1999 (hereafter the *PFMA*), the legislative oversight bodies, and the wider legal framework governing public finances have been partially or wholly ignored. If the challenge of public financial management in the public sector is not addressed in South Africa, it will have an impact on government service delivery programmes, since sound financial management is important in any government programme. Government departments require managers who can manage finances appropriately.

One of the many challenges faced by the South African public service is how to recruit, develop and retain competent leaders and managers. Public service managers have the important task of transforming the strategic vision, goals and objectives of government into effective service delivery. Given the responsibilities delegated to these managers and the demands made of them, it is therefore important to maintain a certain level of stability in the country's public service leadership, so that the momentum with which government's programmes are delivered is not compromised by frequent changes in leadership at the executive or administrative level.

In view of these problems in the public service, this study analyses factors hindering effective public financial management and accountability in South Africa. It also looks at the high turnover rate of directors general and its impact on public finance. Furthermore, the article seeks to provide guidance to government on possible interventions needed to reduce the negative impact of this turnover on the stability of the public service.. The current system of appointing and retaining directors general is looked at, and how specific interventions can assist in ensuring greater functional stability in the overall system.

LEGISLATIVE FRAMEWORK

Since the adoption of the *Constitution of the Republic of South Africa*, 1996 (hereafter the Constitution), a number of milestones have been reached in public service financial management. One of these was the promulgation of the *PFMA* in 1999 to improve financial management and accountability. The *PFMA* aims to create a culture of performance by employing managers to manage, and at the same time holding them accountable for the utilisation of allocated resources in delivering services. However, more than a decade after the *PFMA* was promulgated, there are still many cases of poor financial management and many factors affecting public financial management and accountability in South Africa.

Numerous other countries, such as Australia, New Zealand and the United Kingdom, have passed similar legislation. The *PFMA*, as part of the South African government's budget and financial management reform agenda, represents a radical departure from old *Exchequer Act*, Act 66 of 1975, which was concerned mainly with procedural accountability for finances (Erasmus 2008:60). The *PFMA* places more emphasis on accountability for results and thus essentially locates budgeting and financial management within a performance management framework. The *PFMA* creates a culture of accountability, openness and transparency in public administration, and advocates value for money in the procurement of goods and services in and by the public service (Madue 2007:306). Public institutions are judged by their ability to deliver goods and services and their accountability. The *PFMA* aims to improve accountability by requiring that managers take responsibility for their actions and achievements in exchange

for greater managerial discretion over their inputs (Momoniati, in Erasmus 2008:57). This means that managers have to take responsibility for their performance.

Madue and Mahwai (2008:360) claim that, since its introduction, the *PFMA* has improved the management of financial resources in the public sector and enforced the involvement of non-financial managers in the management of finances, thereby proving that financial management is not a secret art to be practiced among financial officers and the Treasury. However, the number of cases of officials' deliberately ignoring the *PFMA* on a daily basis is on the rise. The *PFMA* as a policy document is well written, but its implementation and enforcement are not satisfactory. The custodians of public financial management are the directors general of various government departments, who fulfil the role of accounting officers responsible and accountable for ensuring that departmental finances are managed according to the legal requirements and that the principles of good governance are upheld.

ACCOUNTABILITY AND RESPONSIBILITY AS GOVERNANCE PRINCIPLES

Good governance is important in the public sector, as investors do not want to invest in a country that is not committed to good governance. Elements of good governance and adherence to governance principles must be understood in the public service, as their absence can destroy a country's economy and administrative system. Siswana (2007:181–182) points out that poor governance manifests itself when the relevant systems and structures do not function, or do not exist. Conversely, good governance is found where those systems and structures function as intended.

Madjid (1997:3–8) lists some elements or criteria of good governance. The first criterion is participation, which is met in South Africa, where the voice of the public is important in decision-making. The need to have public participation is required, according to section 195(e) of the Constitution, which states that the public must be encouraged to participate in policy-making to ensure transparency.

Transparency, another criterion, is a key to the quality of governance in general, but particularly in finance. Transparency refers to the availability of information to the general public, and clarity about government rules, regulations, and decisions. Transparency in the public service implies some provision for access to information, and the strengthening of the public's right to information through the development of suitable means to gain access to information, and a degree of legal enforceability on the provision of information (Geldenhuis 1997:75). For these reasons, broadly restrictive laws that deny access to information must provide for some independent review of claims that such denial is justified in the greater public interest (Asian Development Bank 2004). In South Africa, transparency is supported by the *Promotion of Access to Information Act*, Act 2 of 2000, which promotes transparency by giving effect to the constitutional right of access to any information held by the State, and information held by any other person that is required for the exercise or protection of any rights. However, the South African Parliament has recently passed a new Bill, the *Protection of State Information Bill* which is seen by many as contradictory to the *Promotion of Access to Information Act*. However the Bill has not been signed into law by the President.



The rule of law is also an important criterion for good governance. The law ensures that government officials are controlled and apply the rules appropriately. The rule of law strengthens and provides assistance in improving and reinforcing the legal, judicial, and law enforcement systems, and ensuring their effective application in all parts of the country and at all levels of society.

In this context, effectiveness and efficiency as part of governance principles, structures and processes should produce results that meet various needs, while making the best possible use of resources. "Effectiveness refers to the extent to which structures and policies meet their intended objectives, while efficiency refers to minimising the resources used without compromising on quality" (Lussier 2006:10). Policies and procedures can only be effective if they are able to achieve their intended objectives. Hence, section 38(b) of the *PFMA* states that accounting officers are responsible for the effective, efficient, economic and transparent use of resources.

Although effectiveness and efficiency are important, a strategic vision is even more important, because it keeps managers focused on their organisation's goal. A strategic vision spells out the long-term organisational aims and moulds organisational identity. A strategic vision points an organisation in a particular direction and charts a strategic path for it to follow (Thomson and Strickland 2011:6). It provides direction for organisations and legislative bodies.

Responsibility, another principle of good governance, is defined as an obligation that arises from the tasks one assumes. When people are appointed in particular positions, they are responsible for observing and applying policies and procedures to achieve the organisation's objectives. Taking responsibility implies that one accepts the consequences arising from the results of one's decisions, actions or inactions. Being responsible involves the capacity to distinguish between right and wrong and to act accordingly (Cloete 1996:55). Section 45 of the *PFMA* outlines the responsibilities of public office bearers and how they should be held accountable.

Throughout the *PFMA* and the accompanying Treasury regulations as they appear in the *Government Gazette*, individuals are made responsible for ensuring the flow of funds and for establishing systems. In tandem, checks and balances have been instituted to ensure that these individuals undertake their responsibilities. The *PFMA* designates heads of departments (HoDs), heads of constitutional institutions and boards of public entities as accounting officers or accounting authorities, and it gives them the responsibility for the effective, efficient, economical and transparent use of resources in accordance with the *Appropriation Act* (the annual Act of Parliament that authorises the executive to spend against its allocations).

Although officials can delegate responsibility to their subordinates, accountability cannot be delegated. Accountability is a concept in ethics with several meanings (Day and Rudolf 1987:33), as it is often used in conjunction with concepts such as responsibility, answerability, enforcement, blameworthiness, liability and other terms related to the expectation of account-giving (Huddleston 1992:32). Accountability, as defined by Pauw, Woods, Van der Linde, Fourie and Visser (2009:119), is a key concept in modern management theory and practice. Similarly, Klein (in Borman and Kroukamp 2008:31) defines accountability as an obligation to account or to answer for the responsibility that has been conferred upon a person by an electorate.

Accountability is an important element for good governance and a key determining characteristic of a modern democratic government (Cameron 2004:59). It requires political office bearers to act in the public interest. Gildenhuys (1999:35) points out that one of the traditional cornerstones of democracy is the fact that each political representative, and each public official, is subject to accountability. Accountability in the public sector is the mechanism whereby the public exercises its right to be given account of the effective, efficient, economic and transparent utilisation of state funds in the process of achieving the mandate given to its public representatives (the Legislature) (Gildenhuys 1999:35).

In order for the South African Legislature to ensure accountability and responsibility, the above principles must be adhered to. The Legislature must ensure that there is maximum citizen participation and that the rule of law is used to enforce compliance, and that those found neglecting government policies at the expense of the public are prosecuted. A strategic vision is important, as it points the organisation in a particular direction and it is evident that visionary leadership is required in the South African Legislature and the public service. Government departments are responsible for the policy implementation process and the Legislature must hold them to account.

THE ROLE OF ACCOUNTING OFFICERS IN PUBLIC FINANCE

All heads of government departments are accounting officers, and they are custodians of public finance, responsible for all financial transactions and activities of their departments (Gildenhuys 1993:157). The accounting officer, usually the director general or HoD, in terms of section 36 of the *PFMA*, is personally accountable for all financial transactions and activities of his/her department. The accounting officer of an institution must ensure that internal procedures and internal control measures are in place for payment approval and processing.

Accounting officers are directly responsible for the successful implementation of the revised budget and financial management systems (Visser and Erasmus 2002:36). Section 38 of the *PFMA* contains clear direction as to the general responsibilities of accounting officers. According to section 38(1) of the *PFMA*, the accounting officer of a department, trading entity or constitutional institution

- a. must ensure that that department, trading entity or constitutional institution has and maintains—effective, efficient and transparent systems of financial and risk management and internal control;
- b. is responsible for the effective, efficient, economical and transparent use of the resources of the department, trading entity or constitutional institution;
- c. must prevent unauthorised, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct; and manage available working capital efficiently and economically;
- d. is responsible for the management, including the safe-guarding and the maintenance of the assets, and for the management of the liabilities, of the department, trading entity or constitutional institution;
- e. must comply with any tax, levy, duty, pension and audit commitments as may be required by legislation;



- f. must take effective and appropriate disciplinary steps against any official in the service of the department, trading entity or constitutional institution who contravenes or fails to comply with a provision of this Act.

It is evident from the above that accounting officers are indeed custodians of public finance and therefore highly skilled individuals are required to fulfil those positions. It is important to maintain consistency in the accounting officers' appointment. A high turnover rate of directors general will influence public financial management severely. If an accounting officer wants to execute his/her functions properly, he/she must have full control of finances and other activities of a department (Thornhill 1984:53), and institutional knowledge is helpful in this regard.

CHALLENGES OF PUBLIC FINANCIAL MANAGEMENT AND ACCOUNTABILITY

Given the state of public financial management in South Africa, it is evident that there are many factors that result in and exacerbate poor financial management. Factors that impede public financial management include a high turnover rate of accounting officers, failure to implement the parliamentary committee's reports and revolving membership of public accounts committees. There are many other factors, but for the purposes of this paper, only these three factors are analysed.

Appointment of Accounting Officers

Directors general are accounting officers, and they are accountable for every cent spent in their departments. They are often called to appear before parliamentary committees to clarify any uncertainty pertaining to public finance or any administrative matter. A high turnover rate jeopardises accountability and good governance, and it is also a challenge for legislative bodies.

The turnover rate of directors general across national public services depends on a variety of contextual factors, notably the legislation and regulations governing appointments and terminations. According to the *Public Service Act*, Act 103 of 1994 (Section 3(b)(1)), heads of national departments and government agencies are appointed by the President, and heads of provincial departments are appointed by the Premier. The Act specifies that the President or Premier may delegate the power to appoint to executive authorities. Details on the procedure to be followed in making appointments are outlined in the Public Service Regulations. The appointment must, however, not exceed five years, as stipulated in section 12 (2)(a) of the Act.

According to the Public Service Commission (2008:12), a serving employee appointed to the post of HoD will automatically lose his/her status as a permanent employee. Section 12 (2)(b) of the Public Service Act provides that a contract should be entered into with HoDs. This contract regulates the appointment and confirms the provisions and conditions of service of HoDs as stipulated in the Act. The contract includes commencement and expiry dates, remuneration, deployment, renewal and extension of term of office, conduct, and terms and conditions covering management incentives (Public Service Commission

2008:14). Annexure Two of the Public Service Regulations stipulates that an HoD must enter into a performance agreement linked to a specific financial year. The renewal of the contract of an HoD is not automatic and a procedure for renewal is contained in Annexure A of the Public Service Regulations. The Regulations also establish a procedure for termination of employment for HoDs.

Turnover Rate of Accounting Officers

In view of the above, turnover rates for accounting officers (directors general) were analysed, looking at 39 government departments and entities. Some departments were excluded from the analysis as they are new and had only one director general appointed to date. On average, the period for analysis was 1999 to 2011, based on the availability of information received. The system provided the basic data on the level and frequency of turnover for the assessment period. The data within these systems do not reflect reasons for departure or movement, but they do provide a broadly accurate picture of turnover amongst HoDs. This information builds a global picture on the scale of turnover experienced for the period of the assessment. The PERSAL records provide information on each instance where there is a change in who is legally designated as an HoD. The terms director general and HoD are used interchangeably.

According to the Public Service Commission (2008:vi), every new director general may introduce new strategies and plans, so frequent changes in HoD may subject a department to a process of frequent change. This problem is exacerbated when there is no proper handing over and taking over procedure. Whenever there is a change in public service leadership, there must be a proper handing over and taking over, especially when there is a transition from one electoral term of government to another.

Table 1 shows the number of acting and permanent directors general in 39 government departments.

Table 1: Percentage of permanent and acting directors general (1999–2011)

Status		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Permanent	96	54.2	54.2	54.2
	Acting	81	45.8	45.8	100.0
	Total	177	100.0	100.0	

Source: Adapted from Department of Public Administration PERSAL system.

Of 177 directors general analysed, 96 were permanent and 81 were acting. It is not possible for all directors general to be in a permanent capacity, but for 81 (45.8%) to be acting directors general is unacceptable. This high turnover is likely to affect service delivery and the management of public finance, and decreases accountability, as new directors general cannot give proper account of a department’s activities in the previous period when appearing before the Legislature. When asked questions by parliamentary committees, many directors general simply use their length in office as an excuse. It is also obvious that changes instituted are less likely to be sustained when there is a change in leadership.

Table 2: Rate of directors general turnover per department (1999–2011)

Department	Frequency	Percentage
Agriculture Forestry and Fishery	7	4.0
Arts and Culture	3	1.7
Education (Old)	3	1.7
Communications	7	4.0
Correctional Services	8	4.5
Corporative Governance and Traditional Affairs	5	2.8
Defence	3	1.7
Economic Development	1	0.6
Environmental Affairs	5	2.8
Government Coms and Info Systems	2	1.1
Health	7	4.0
Home Affairs	6	3.4
Human Settlement	3	1.7
Independent Police Investigative Directorate	6	3.4
International Relations and Cooperation	4	2.3
Justice and Constructional Development	4	2.3
Labour	6	3.4
Mineral Resources	2	1.1
Treasury	3	1.7
National Prosecuting Authority	2	1.1
Presidency	2	1.1
Public Administration Leadership and Management Academy	5	2.8
Public Enterprise	6	3.4
Public Service Commission	8	4.5
Public Works	11	6.2
Public Service and Administration	9	5.1
Rural Development	7	4.0
Science and Technology	1	0.6
Social Development	3	1.7
South African Police Service	3	1.7
South African Revenue Service	2	1.1
Sports and Recreation	9	5.1
State Security	2	1.1
Statistics	2	1.1
Trade and Industry	5	2.8
Transport	7	4.0
Water Affairs	5	2.8
Women, Children and People with Disability	2	1.1
Tourism	1	0.6

Source: Adapted from Department of Public Administration PERSAL system.

Table 2 gives the frequency of directors general per department. The current directors general were excluded from the analysis since they are still occupying their office.

The data show that the Department of Public Works had the highest turnover rate – 11 directors general in 12 years. This Department has been at the centre of controversy on issues of maladministration and tender fraud. Given the financial maladministration reported in this Department, this turnover rate is not surprising, but is unacceptably high. Serious intervention is needed to ensure sustainability of directors general in this Department.

A high turnover rate was also experienced by the Department of Sports and Recreation (nine directors general), the Public Service Commission (eight) and Correctional Services (eight). The finding is particularly disturbing for the Public Service Commission, as section 196(4)(b) of the Constitution, read in conjunction with sections 9 and 10 of the *Public Service Commission Act, Act 46 of 1997* mandates the Commission to investigate, monitor and evaluate the organisation of administration and personnel practices in the public service.

Other departments presented a better picture, for example, the Department of Women, Children and People with Disabilities had only two directors general since its inception in 2009, and when one looks at the average length of time a director general spends in office, this Department is not unique.

Table 3 indicates the frequency rate of directors general.

Table 3: Average of turnover rate (1999–2011)

Period	Frequency	Percentage	Valid Percentage	Cumulative Percentage
below 1 year	76	42.9	42.9	42.9
+1 to 2 years	24	13.6	13.6	56.5
+2 to 3 years	26	14.7	14.7	71.2
+3 to 4 years	13	7.3	7.3	78.5
+4 to 5 years	17	9.6	9.6	88.1
+5 to 6 years	5	2.8	2.8	91.0
+6 to 7 years	1	0.6	0.6	91.5
+7 to 8 years	7	4.0	4.0	95.5
+8 to 9 years	1	0.6	0.6	96.0
+9 to 10 years	3	1.7	1.7	97.7
+10 to 11 years	1	0.6	0.6	98.3
+11 to 12 years	1	0.6	0.6	98.9
+13 to 14 years	1	0.6	0.6	99.4
+14 to 15 years	1	0.6	0.6	100.0
Total	177	100.0	100.0	

Source: Adapted from Department of Public Administration PERSAL system.

A worrying finding is that 42% of directors general analysed spend less than one year in office, either in acting or permanent appointments. As mentioned earlier, directors general



are appointed for a period of three to five years, but only 7.3% of directors general spend three to four years in office, and only 2.6% stay five years.

According to the Public Service Commission (2008:33), the turnover of HoDs across national public services depends on various contextual factors, notably the legislation and regulations that govern appointments and terminations, which are shaped by the national history of the public service in question.

In countries such as Canada, the trend is towards higher turnover levels, but experiences vary across different countries and different public service systems (Boyne 2007). Some systems tend to promote stability amongst the heads of public institutions, while others view turnover as necessary for innovation and performance purposes (Boyne 2007). A study on political appointments in governments across the world done by the Japanese government suggests that public sector HoDs rarely stay in office in a particular position for over four years (Boyne 2007). In the United States, employment mobility is very high, as many politically appointed HoDs do not stay for a complete term of office of the President (Cote and Holland 2007). In France, although many HoDs are appointed from within the career civil service, they seldom remain in the same position for over four years and often move to comparable positions in the public service. In Germany there is a similar pattern. Cote and Holland (2007) reveal that in Canada the length of assignment of officials fell to 2.7 years between 1997 and 2007, from an average tenure of four years in the previous decade.

The system for appointing and dismissing HoDs in South Africa resulted from past experiences and post-apartheid transformation. The British system of the professional career HoD has largely been substituted by a mixture of politically and contractually based appointments. In changing the system to a contract approach, the government's intention was to ensure that innovations would be brought into the public service, and that HoDs could be held accountable for delivery on results through time-based performance contracts. The final and formal authority for the appointment of HoDs resides with the President. The above analysis provides an overview of the turnover rate of directors general in government departments. It is evident that turnover rate varies from one department to the next and is unacceptably high in some departments. This is a challenge for the Legislature, as proper accountability will not be given by departments, particularly in respect of finances. Global trends suggest that South Africa is not unique in its turnover rate, but clearly, rigorous intervention is required to reduce the turnover rate to ensure continuity of office and accountability of public finance in the interests of good governance.

Public Accounts Committees

The mandate of the Public Accounts Committees in South Africa is drawn from section 55 and 114 of the Constitution. Section 55(2) outlines the oversight powers of the National Assembly, requiring that it "provide for mechanisms to ensure that all executive organs of state in the national sphere of government are accountable to it; and to maintain oversight of the exercise by the national executive authority, including the implementation of legislation; and any organ of state".

The Standing Committee on Public Accounts (SCOPA) is considered the most influential Public Accounts Committee of Parliament. This Committee examines the Auditor-General's annual reports on the financial affairs of public institutions. SCOPA is the mechanism through which the National Assembly exercises control over the expenditure of public money, which

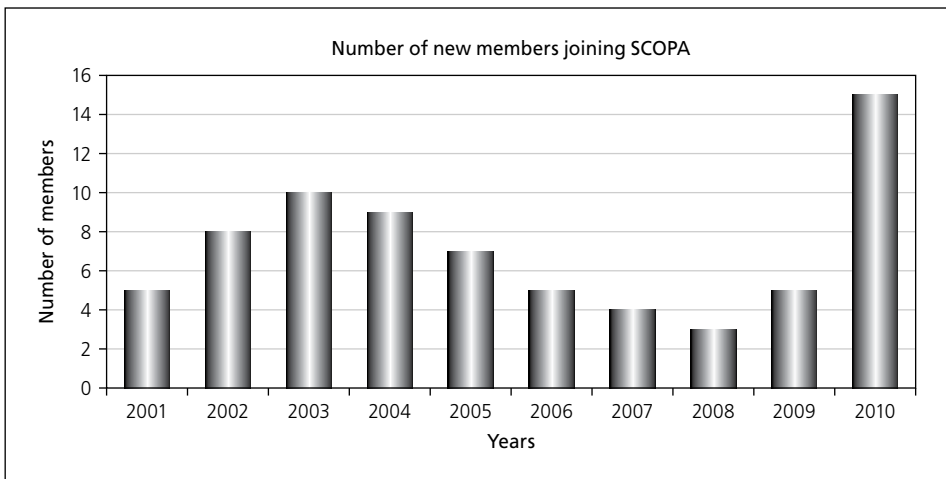
it allocates annually to executive organs of state in the national sphere of government. SCOPA examines the financial statements, as well as audit reports, on the statements of all government departments and constitutional institutions (Siswana 2007:107).

SCOPA needs appropriate information to fulfil its functions properly. The Constitution recognises this need by providing for the establishment of the Auditor-General, who has the powers and functions to audit and report to Parliament on, *inter alia*, the accounts, financial statements and financial management of national departments and other public sector institutions to be audited as required by section 188 of the Constitution. SCOPA's aim is ensuring that government departments are accountable and responsible to Parliament, which represents South Africa's citizens.

Since its inception, SCOPA has held several public hearings in an effort to ensure responsibility and accountability. Although SCOPA can boast several successes, it faces many challenges that affect its ability to conduct oversight efficiently and effectively. SCOPA needs to adopt practical measures to enable it to carry out its oversight functions properly – it lacks technical experts and adequate financial resources to increase its oversight capacity (Idasa 2010:6). Another challenge is government departments' failure to cooperate and implement SCOPA's resolutions. The Auditor-General and SCOPA reports often repeat recommendations year after year and there is no improvement (see Table 4, which shows that most departments resolved fewer than half of SCOPA resolutions). Resolutions in the area of compliance are ignored; reporting on predetermined objectives has received almost no attention. It is encouraging that action has been taken on almost all resolutions, but most actions have not been completed. Many resolutions are carried over from previous years (South Africa 2010/2011:75), so completion of actions needs careful monitoring.

Despite these difficulties, SCOPA members continued with their rigorous questioning to get answers on issues highlighted by the Auditor-General, and ministers will in future be called to appear before the Committee (Idasa 2010:6). One challenge here is the party list: the Minister is the senior member of the party and members serving in committees are junior. This also applies to all committees in Parliament.

Figure 1: Turnover rate for SCOPA (2001–2010)



Source: Adapted from the Minutes of SCOPA. 2001 to 2010

SCOPA has been accused of party political bias, on the basis that members of the ruling party who constitute the majority of members on the Committee would refuse to express an opinion that could harm the party (Cloete 2012:46). Moreover, SCOPA has had its own problems with turnover, as can be seen in Figure 1.

Table 4: Status of implementation of SCOPA resolutions

Auditee		Total number of resolutions	Resolutions in progress from previous year	Number of resolutions resolved	Number of resolutions in progress	Number of resolutions not auctioned	Total number of resolutions made relating to		
							Financial management	Auditing of predetermined objectives	Compliance
Departments	Defence	1	1	0	1	0	1	0	0
	Justice & Constitutional Development	15	0	0	15	0	12	1	2
	Public Works	4	4	0	4	0	2	0	2
	Labour	3	2	1	2	0	1	0	2
	Water Affairs	3	3	0	3	0	3	0	0
	Presidency	0	1	1	0	0	1	0	0
Total		26	11	2	25	0	20	1	6

South Africa (Republic of). 2010/2011. Auditor General Report. 2010/2011. Pretoria, South Africa: Government Printer.

As Figure 1 shows, SCOPA's membership increased from ten members in 2003 to 15 members in 2010. The turnover rate of SCOPA members remained relatively low between 2006 and 2009 and stated to increase in 2010, a year after the national elections. This finding suggests that change of leadership influences the turnover rate. This deduction is supported by the high turnover rate of SCOPA in 2004, which was also an election year. It may be argued that other parliamentary committees experience similar challenges. This poses a threat to the effectiveness of committees such as SCOPA, which interrogate senior members of departments to get clarity on certain matters. They call for feedback at the next meeting, but when at the next meeting there are new members who are not familiar with the issues on the table, this is a threat to democracy and accountability.

The South African parliamentary oversight committee system is structured to promote accountability by the Executive. The effectiveness of the Legislature may be hampered by the fact that members of the Legislature are junior members of the party, while the Executive is normally chosen from the senior members. For instance, the Minister is the senior member. This may pose problems for the Legislature in holding the Executive accountable.

A practical example is the case of the Minister of Defence. In 2010, SCOPA had a meeting with the acting Secretary of Defence, and several senior officials regarding the Department

of Defence's qualified audits reports from the Auditor-General. The delegation from the Department of Defence was asked to leave after it failed to provide SCOPA with credible answers to questions relating to wasteful expenditure, and irregularities around the purchase and awarding of tenders. This was reported on national television. Since then, SCOPA has repeatedly failed to get the Minister of Defence to appear before it and account for the state of financial management in the Department (IDASA 2010:11). This led to tension between SCOPA and the Minister. The Portfolio Committee in Defence also failed to get the Minister to comply. Thus it may be asked what powers SCOPA has if members refuse to appear before it. Ministers see themselves as senior party members and are offended if called to appear by parliamentary committees.

CONCLUSION

Many factors affect public financial accountability and responsibility, including high turnover among accounting officers and parliamentary committee members, which has a negative impact on good governance. Governance must be analysed in the context of public finance to achieve criteria such as accountability, responsibility and transparency. The structures supporting governance are important, as is their functioning. These institutions must support governance in the context of the *PFMA*. If these structures and institutions are not managed accordingly, they could lead to poor accountability and responsibility for public finance. It is important for structures to understand that they do not operate in isolation but need each other in the interests of good governance.

The article analysed the turnover rate of directors-general as accounting officers for government departments in South Africa. The findings show a high turnover rate, which is of great concern to the legislature, as proper accountability is not given by departments, particularly financial accountability. It is also concerning that most directors-general are in an acting capacity (it is common knowledge that people in such positions avoid taking decisive or tough action, as some hope to be appointed permanently in those positions). Global trends suggest that South Africa is not unique in this turnover rate, and more rigorous intervention is required to reduce it to ensure that there is continuity of office. Such intervention should improve accountability regarding public finance and good governance, and the retention of institutional knowledge.

RECOMMENDATIONS

In view of the above findings, it is recommended that

- to be effective, parliamentary oversight bodies be granted specific authoritative powers, and use these powers appropriately, to hold officials accountable;
- committee members should serve at least for the term of office of the President or government (five years);
- there is a system in place to retain talent in the public service, particularly among directors-general, who need to be retained to assist legislative bodies in ensuring public financial accountability, by making sure there are people to account to and give answers when necessary;



- the appointment of directors-general be removed from the President and be given to the Department of Public Service and Administration;
- given the international experiences and the realities of the directors-general turnover and its impact,
 - the current system be retained while strengthening recruitment and selection processes,
 - directors-general be recruited for permanent positions in the public service.

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