



# The 14th APAC CONFERENCE



A·P·A·C  
ASSOCIATION OF PUBLIC  
ACCOUNTS COMMITTEES

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*Strengthening oversight processes to achieve  
clean administration by 2014 and beyond*





# Introductory Remarks by Legislature Speaker and APAC Acting Chair

In welcoming delegates of the 14th APAC Conference, the Speaker to the Eastern Cape Provincial Legislature, Hon. F.D Xasa, emphasized the importance of capacitating committees to enable them to conduct vigorous oversight.

"Portfolio committees must be empowered and adequately resourced as they are the main tools for ensuring oversight over the Executive," said the Hon. Speaker Xasa.

He further emphasised that participatory forms of deepening democracy must be encouraged at all levels of the state. He called on all delegates in this regard, to interact with communities to account and that the communities must be engaged in a manner they will understand.

## Opening Remarks by Acting Chair

In officially opening the 14th APAC Conference, the acting Chairperson, Hon. J.T Beukes, highlighted that the ideal of clean administration was not a pipe dream but something that could be realized. Testimony to this was the fact that various departments, municipalities and entities

were able to attain clean audits in the previous audit outcomes. She further challenged government to instill values of a clean administration across the 3 spheres of government.

She appreciated the efforts by various chapter 9 institutions like the AG, Public Service Commission, Public Protector, National Treasury, etc. She also cited some of the achievements by APAC which included the successful implementation of the 9th Southern

African Development Community of Public Accounts Committees (SADCOPAC) Conference held in 2012.

She also announced that APAC was working towards formation of Global Organisation of Public Accounts Committee (GLOPAC) given the successful launch of Africa Organisation of Public Accounts Committee (AFROPAC) at the recent 10th SADCOPAC Annual Conference in Tanzania.



Hon. J.T Beukes - Acting APAC Chairperson



Hon. F.D Xasa - Eastern Cape Legislature Speaker

# Effective Oversight is Central to Good Governance

Effective oversight helps to flush out wasteful expenditure and committees such as SCOPA need to wield a firm hand over the next three months to help administrations steer towards the 2014 clean audit objective. This was a key message that Hon. Thandi Memela, the Deputy Chairperson of the NCOP, shared with delegates at the 14th Annual APAC Conference on Monday, 30 September.

Hon. Memela emphasised the need for sound oversight by referring to the recent economic crisis in Greece where the Greek government's imprudent spending, coupled with misreporting of the country's official economic statistics, led to what is known as the Greek government debt crisis. The crisis had a 'dominoes effect' as it affected other countries in Europe. Hon. Memela posed an interesting question regarding this saga by stating, "Today we have the so-called Eurozone crisis that has led to serious economic uncertainties in the world because one country, Greece, was not prudent with its public spending. However the biggest question that we must ask is: where was the Parliament of Greece when all this was happening and what was it doing?, she asked. She said that the lesson to be learnt from the saga was that legislators need to be alert on how tax monies were spent.

Hon. Memela encouraged the co-operation and mutual respect between legislatures, Chapter 9 institutions and the Public Service Commission.

"This synergy is instrumental because these

institutions assist legislatures in their oversight function over government's public financial management, as they can report to the legislatures relevant findings of their investigative and other work related to public finance misappropriation and mismanagement," said Hon. Memela. Reflecting upon the often adversarial relationship between public accounts committees and the State organs, she described it as "normal and it must be encouraged because it helps these organs to do their jobs better. However this naturally adversarial relationship really boils down to one thing, and that is; all of them are just trying to do what is best for South Africa".

Hon. Memela further called upon oversight bodies to accelerate proactive oversight "and not only wait for government action before we act". She also shared with delegates her observation that Chapter 9 and Chapter 10 institutions tend to limit themselves within the conventional prescripts which does not augur well with proactive oversight. She cited the example of the requirement that these institutions report to Parliament at least once a year. She said that these institutions tend to stick to this requirement and therefore questioned why the Public Service Commission reports to the National Assembly only once a year whereas corruption in the public sector is rife.

She implored legislators not to lose sight of the



Hon. Thandi Memela  
Deputy Chairperson of NCOP

needs of citizens and to value the role that citizens play in oversight. "It is only when there is supervision and critical oversight from the people that the government will be in a position to do an even better job, and employees of government departments will be the true public servants of the people. As leaders, public representatives cannot afford not to take the people into their confidence when they do oversight, no matter how weak or how strong the people are. Consulting people is not a sign of weakness, but a sign of strength," declared Hon. Memela.

# BUILDING STRONG MANAGERIAL LEADERSHIP: AG

Addressing the complex nature of challenges facing leadership in the public sector during the APAC conference held in Port Elizabeth, the Auditor General (AG), Mr. Terence Nombembe revealed a concise entry point of dealing with the difficulty. In his presentation, Mr. Nombembe focused on four areas which are;

- Internal Control Systems and Standard Operating Procedures
- Content of reports;
- Performance; and
- Monitoring.

The AG observed that leaders and managers in the public sector know what to do but often fail to apply the fundamentals in the correct manner. Various guidelines are provided for across managerial and leadership strata but are not converted into communicable processes that can be shared with all and sundry. Building adequate state capacity at managerial level requires leaders that will be able to establish basic controls that are reviewable daily through communication and reporting, the AG commented.

The lack of clean audits was predicated on the lack of reliable information for both internal and external stakeholders. He maintained that institutions and

organisations need to be able to predict performance and that the use of regularly reviewed procedures allows all levels of staff to account for their performance by feeding the reporting mechanisms with correct information that is updated frequently.

He further implored delegates to focus on the development of basic procedure manuals that can be used in carrying out daily functions. According to Mr. Nombembe building strong leadership could be done through daily routines using documented guidelines and communicating the attainment of set objectives. "In other words, doing the basics right is the big idea", argued Mr. Nombembe. Documenting work allows for sound standards in monitoring, and the lack of procedure manuals creates recurring problems because unstandardized work and assessment thereof often generates inconclusive results out of which leaders cannot base their decisions. The AG further affirmed that the public service knows reports that have to be submitted and that the goal is the development of the annual report. He further stated that the annual report allows leadership to detail accomplishments of an organisation or institution. The challenge with reporting is that leaders in the public service are sometimes not clear about the detail that should go into these reports.



Mr. Terence Nombembe  
AG South Africa

Mr Nombembe said that the superficial manner from which leaders deal with reports was one of the key weaknesses of governments. For sustained leadership in the public sector, leaders must pay attention to detail. The general inability to focus on detail has created a culture wherein the Audit Committees of various state institutions are viewed as a back office, support function which has nothing to do with leadership. "Often, leaders do not engage the details of audit reports and this limits their ability to detect and correct problems on time", he claimed. AG stressed that the executive must be able to interact with audit committees on a regular basis and that oversight structures in legislatures and municipalities must schedule contact sessions with audit committees.

In closing, the AG underlined the reasons for pursuing clean audits, stating that clean audits are basic, create sustainable basic controls, allow the leaders and the public to predict delivery of services and help provide reliable information. The AG lastly pleaded with the public sector that it must replicate the discipline seen in the private sector through the use of the same principles so that various stakeholders can predict performance on a sustainable basis.

## BUILDING STRONG MANAGERIAL LEADERSHIP: DEPUTY MINISTER

Speaking at the opening of the APAC conference in Port Elizabeth, Deputy Minister of Public Service and Administration, Hon. Ayanda Dlodlo conveyed words of condolences to the Kenyan delegation and nation on behalf of the South African government on the sad loss of human lives attributed to the recent terrorist attack in Kenya.

As the country is approaching 20 years of democracy, Hon. Dlodlo expressed the need to critically reflect successes and failures of the government. The reflection will then include the attainment of socioeconomic goals as initially stated in the Reconstruction and Development Program (RDP), the missed opportunities that have arisen as a result of the myriad of administrative



Hon. Ayanda Dlodlo  
Deputy Minister of Public Service and Administration



challenges facing the public service as well as the promise presented by the newly adopted National Development Plan (NDP).

Reflecting on the past, present and the processes of attaining new goals, Hon. Dlodlo said that was important to have a debate on clean audits in administration. The debate will help refine government's performance, make it improve on its achievements, correct failures because the need for strong leadership was linked with the need to excel on the set performance and accountability standards.

She further made reference to the National Development Plan that states that the capacity of the state must be enhanced to ensure delivery. In building state capability, the Deputy Minister stated that, "at the centre of democracy and development process, is the public servant who must exhibit strategic and strong leadership", she argued. This was informed by the need to relook at the leadership within the public sector as a concept broader than the traditional view focusing on Senior Management Services (SMS) but to include up skilling leaders in charge of units, sub-units and systems from the bottom up.

The entry point for building good leadership is the process of recruitment and selection. With this, Hon Dlodlo, stated that as the Ministry of Public Service and Administration, they have a

responsibility to ensure an appropriate and accountable recruitment and selection processes.

Accordingly, the MPSA has reviewed the recruitment and selection processes for Director Generals and Deputy Director Generals by establishing stringent protocols guiding the processes. The newly developed protocols have been shared with the Premiers of the 9 provinces for alignment and it is incumbent on the whole country's administration to follow these, if the country is to attain strong leadership at the top.

Generally there is a view that equates seniority within the public service with laxity, with no respect to discipline and correction. She again stated that the lack of discipline among officials has resulted in reforms within the MPSA on how it manages public servants' conduct. "To this end the MPSA had recently updated its disciplinary codes and included the Executive Authorities in a pilot program for developing charges to deal with affected employees, she continued. The Deputy Minister described the pilot program as a success and further noted that the utilization of centralized capacity to assist with disciplining management promoted greater accountability.

The Deputy Minister further said that going forward, the MPSA will finalise legislative proposals that seek to prohibit public service

employees from conducting business and in particular, business with government. "The aim is to bring more accountability for the utilization of time, resources and promote ethical conduct" she said. Hon Dlodlo asserted that the legislative reforms proposed to curb corrupt practices were going to require a "true tri-partite partnership between government, civil society and the private sector".

Deputy Minister Dlodlo declared that the MPSA again seeks to deal with the issue of recurring findings and non-action on Auditor General and the Public Service Commission's (PSC) recommendations. The MPSA through the Office of Standards and Compliance would build mechanisms of tracking AG and PSC recommendations with the view of bringing them to life and implementing them.

On the subject of oversight, the Deputy Minister stated that "Members of Parliament are accountable to the citizens and that parliamentarians must not have a cozy relationship with the Executive at the expense of the people". Hon Dlodlo concluded by challenging the delegates to be rigorous in dealing with findings because the issue of repetitive findings was a systemic failure of the oversight system, the executive and the departments' leadership.

## Chipping Away Impunity

A culture of impunity takes root when there is failure to take action against those who have transgressed or flouted rules and policies. This was the view shared by Public Protector, Adv. Thuli Madonsela, during an APAC conference.

She said that "the curse of impunity" had been a recurring theme in her four years as Public Protector and questioned whether a culture of rule breaking with impunity had been allowed to develop over the years. Adv. Madonsela told the delegates that a culture of compliance needs to be restored in organisations.

She recalled that terms such as 'fruitless and wasteful expenditure' and 'unauthorized expenditure' during her years as a public servant filled her with trepidation.

"I don't get a sense that these [terms] have similar weight today," said the Public Protector. She added that the absence of policies on key issues such as staff transport allowances, accommodation allowances and recruitment



Adv. Thuli Madonsela

was "a recipe for bad administration including corruption".

The Public Protector appealed to delegates to take action against callous officials who, in their official capacity, were indifferent to the plight of citizens.

Referring to the gravity of situations where the negligence and insensitivity of officials impact disastrously on the lives of citizens, Adv. Madonsela stated that the principles of Batho Pele should be entwined with service delivery.

The Public Protector said her office had a

constitutional mandate to support and strengthen investigation and redressing improper conduct in all state affairs. She added that her office monitors the implementation and remedial action if a finding has been made.

She urged the delegates to consider rewarding compliance, to consistently reject non-compliance and to uphold zero impunity for non-compliance. In that vein, she called upon institutions and structures that play a key role on the accountability front (such as the AG, PSC and SCOPA) to have a co-operative approach.

"I wish to reiterate that ours is not a problem of inadequate laws as we have a great Constitution and an abundance of good laws. On the enforcement front, we also do not lack bodies as we have an extensive network of bodies.

The key lies in these bodies utilizing their powers fully while the top leadership in government abides by the rule of law. Going forward, we can have an accountable state that operates with integrity while being responsive to the needs of all people in the Republic," declared Adv. Madonsela.

She applauded APAC on its work in terms of strengthening oversight. She also acknowledged the AG Mr Nombembe for his dedicated 7 years of service to ensure good governance.



# APAC Delegates Enjoying a Night of Glitz and Glamour

Port Elizabeth International Convention Centre came to a standstill last night as various oversight and accountability role players enjoyed a night of glitz and glamour at the hotel.

The Eastern Cape Provincial Legislature (ECPL) in collaboration with the Association of Public Accounts Committees (APAC) hosted a dinner to welcome delegates and accompanying officials from all over South, East and West Africa that had attended APAC 14th annual conference. Standing Committee on Public Accounts Chairpersons, Auditor Generals, honorable Speakers, Deputy Speakers, Deputy Ministers, Premiers and Executive Mayors were among the who's who on the guest list. Speaker of the Eastern Cape Provincial Legislature, Hon. Fikile Xasa welcomed all delegates and appreciated work that has been done so far by the role players. "We started this event on a high note and I would plead with everyone that we do not drop the standard on the next days," he said. The Speaker also reminded the delegates that it is almost the end of the last year of term in office for the current government. "We are ready to go back to the people and account for whatever promises we have made," he said.

The Executive Mayor of the Nelson Mandela Metropolitan Municipality, Cllr. Ben Fihla also welcomed delegates to the municipality. He reiterated what all speakers have been saying that, good governance can only come from strong oversight scrutiny by representatives trusted by the electorates. He asked the political and administrative leadership to unite in thrashing out maladministration. The political principals had insatiable taste for music. Local jazz groups entertained the delegates while they were wining and dining. Politicians were reminiscing their youth days, singing along with the jazz groups and dancing. The Premier of the province, Hon. Noxolo Kiviet, delivered the key note address of the evening. Bhelekazi, as she is intimately known, challenged delegates to go an extra mile in the quest for a clean administration by 2014 and beyond. "Dedication and commitment must be the name of the game; and we need to protect tax payers' money. The ANC led government has promised clean administration by 2014 and working together we can do it," she said. The Premier reminded the audience that the country comes from the hands of the

oppressors. She said if people forget where the country comes from they will not appreciate what the government has done so far.

"We need to instil a sense of honesty, selflessness and spirit of Ubuntu within ourselves as Tata Mandela taught us," the Premier added. She also urged the community to work hand in glove with government in fighting corruption and also promised to work on making sure that public servants do not do business with the state.

The Premier highlighted the shortage of skilled and competent accountants in the province stating that all the good ones go to private sector, as private sector pays better. She said that government must compete with private sector in compensating the accountants. "If we can have these skilled and competent accountants, rest assured we will be able to detect problems at an early stage," she said. The night was also used to send best wishes to the birthday boy, the outgoing Auditor General, Terence Nombembe. The Premier said the best gift the Eastern Cape government can give Mr Nombembe is to work tirelessly towards the attainment of clean audit by 2014 and beyond. "We owe it to our people on the ground as well to build a trustworthy government," she concluded.



David D entertaining delegates at the Welcoming Gala Dinner



Delegates enjoying the entertainment at the Welcoming Gala Dinner



## South African National NGO Coalition

The National President of South African National NGO Coalition (SANGOCO), Jimmy Gotyana made a presentation that focused on the current Independent Review Mechanism (IRM) report that talks on how Government has performed in meeting its 2011-2013 commitments.

The report also speaks on committing South African Government to work with Civil Society towards enhancing transparency, public participation, accountability and the fight against corruption in the public service. Mr Gotyana said that in September 2011, the South African Government endorsed the Open Government Partnership (OGP) Declaration of Principles, thereby committing itself to work closer with the civil society.

This global partnership initiative on open government is in line with the African Union's African Peer Review Mechanism (APRM) which encourages African governments to improve public governance. "Open Government in the South African context, is premised on our progressive and transformative constitution

which is enshrined in a Bill of Rights and the principles of open governance" he remarked. Based on the Independent Review Mechanism Current Report, the following are the Five OGP Grand Challenges overseen and led by DPSA:

- Improving Public Services: measures that address the full spectrum of citizen services including health, education, criminal, justice, water electricity, telecommunications and any other relevant service area by fostering public service improvement or private sector innovation.
- Increasing Public Integrity: measures that address corruption and public ethics, access to information, campaign finance reform, media and civil society freedom
- More effectively Managing Public Resources: measure that address budgets, procurement, natural resources and foreign assistance.
- Creating Safer Communities: measures that address public safety, the security sector, disaster and crisis response and environmental threats.
- Increasing Corporate Accountability:

measures that address corporate responsibility on issues such as the environment, anti-corruption consumer protection and community engagements. SANGOCO as a national civil society focal point endorses the findings of the IRM on the OGP Process.

"According to the report our Government has not been able to make significant innovative activities aimed at driving transparency and service delivery. To this end, SANGOCO is disappointed and hopes that renewed efforts by Government in this regard will be galvanized.

The Report further recommends, firstly that partnerships with Civil Society should be formalised in order to reduce the level of mistrust that characterises the relationship with Government" he added.

## Public Service Commission

The Chairperson of the Public Service Commission (PSC), Mr Ben Mthembu shared with the conference on how government intends to eliminate corruption by prohibiting public servants from conducting business with the State. The initiative resonates with section 195 and 196 of the Constitution that places specific emphasis on the promotion of professional ethics in the Public Service.

"There is a need for ethics and integrity in the Public Service, this professional requirement implies that public servants and their actions must be answerable to the public for the achievement of service delivery objectives and proper utilization of resources", he remarked. The PSC has been at the forefront in developing legislation, systems, rules, and guidelines that are important to set a framework within which unethical and corrupt behaviour can be minimized and eradicated.

These systems include:

The Public Service Commissioner focused on initiatives of PSC to manage and prevent

potential and actual conflicts of interest. Potential conflict of interest in the Public Sector space entails a public official in a position where she can be influenced by her private interest when doing her job.

He said that the PSC has as far back as 1997 saw the potential dangers of conflict of interest and developed a Code of Conduct for Public Servants.

He further stated that in 1999 the PSC realized the importance of managing the potential conflicts of interests of public servants and developed the Financial Disclosure Framework. The Framework aims to promote the integrity in government by preventing conflicts of interests before they occur.

"In 2000 the Minister of Public Service and Administration approved the incorporation of the framework as Chapter 3 of the Public Service Regulations", he said.

He again said that as of 2006 the PSC has moved from monitoring compliance to scrutiny of disclosures to identify potential and actual conflicts of interest in departments and to advise Executive Authorities accordingly.

The PSC is in the process of introducing an electronic system of disclosure (eDisclosure) for the Public Service with effect from 01 April 2014. The Disclosure System is an electronic

register for the capturing and management of financial disclosures. He further outlined that the system shall be counteracting bureaucratic challenges presented by the existing paper based system; link with other government databases for purposes of verification of disclosures, monitor compliance and swift feedback to Executive Authorities on transgressions; and improve efficiency and compliance. Delegates were further informed that in the process of making legislative initiatives that will affect all three spheres of Government through the Public Administration Management Bill is being coined. "The may be legal challenges related to the constitutionality of the prohibition but there will not be a prohibition on public servants doing business outside the ambit of the State, subject to the approval of the relevant Executive Authority after satisfying herself that such business will not impede on the public servant's ability to perform his duties", concluded the Commissioner.



APAC Delegates at the conference



# APAC in photos



Premier Noxolo Kiviet receiving a gift from Whip Nomvuzo Mlombile - Cingo



(from left to right) MPLs Nomawethu Gqiba, Tabiso Wana, Nomvula Ponco (Chairperson of Agriculture, Nomvuzo Mlombile - Cingo, SCOPA Chairperson Max Mhlati



Hon. Max Mhlati handing over a gift to Mr Ben Mthembu with Hon. Sarah Mangena looking on



Delegates attending the APAC Conference



Conference delegates from Mpumalanga Provincial Legislature



(from left to right) Hon. Mahlakeng Mahlakeng, Hon. Hlomani Chauke and conference delegates



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