



THE 4th CHAPTER SEMINAR – SOUTH AFRICA

Theme: *Harnessing Sustainable Economic Growth and Human Development in Africa*

Venue: **The Capital Empire, 177 Empire Place, Cnr. Rivonia Road, Sandhurst, Sandton, Johannesburg, 2031, South Africa.**

Date: 28th to 30th August 2019

Oversight of Government Expenditure in South Africa

Themba Godi

(President of the African People's Convention, and former chairperson of the Committee on

Uphold public interest Public Accounts), 28 August 2019

Oversight on Government Expenditure in South Africa



- ✓ Citizens pay taxes for government to function.
- ✓ The government functions as an agent of the people.
- ✓ There is an expectation of services and accountability.
- ✓ Accountability requires the explanation and justification of actions and decisions.
- ✓ The ultimate accountability is to the people; the sovereign authority.

Legal & Structural Arrangements



- ✓ The Constitution (1996) defines the broad principles of public administration and financial management.
- ✓ Legislation and regulations guide the day-to-day management and expenditure
 - ✓ Public Finance Management Act No 1 of 1999;
 - ✓ Local Government and Municipal Finance Management Act No 56 of 2003); and
 - ✓ National Treasury Regulations for departments, constitutional institutions and public entities.
- ✓ Constitution confers oversight responsibilities to Parliament.
- ✓ Government accounts to the people through their representatives, i.e Parliamentarians.

Legal & Structural Arrangements



- ✓ Oversight committees are established by Parliament, in accordance with relevant constitutional provisions and parliamentary rules.
- ✓ These committees oversee specific aspects of Government work, and include:
 - ✓ Portfolio Committees for each corresponding government department.
 - ✓ Appropriations Committees which scrutinises and monitors government spending.
 - ✓ Finance Committees which largely focusses on matters relating to macro-economic and fiscal policy.
 - ✓ Public Accounts Committee scrutinises and reviews the financial statements and audit reports of all government departments and entities, to ensure compliance with public finance management.

Enablers of Oversight



- ✓ Annual Reports
- ✓ Auditor-General Reports
- ✓ Financial Statements and Notes
- ✓ Audit Committee Reports
- ✓ Oversight visits
- ✓ Private Audit Firms (enablers and a challenge)

Oversight Challenges



- ✓ Oversight becomes a function of politics;
- ✓ parliamentary rules and standards;
- ✓ quality, experience and dedication of parliamentarians;
- ✓ limited strategic focus;
- ✓ delays in submission of information and late reporting;
- ✓ non-submission of information for audit purposes;
- ✓ audit findings disputes;
- ✓ none-submission of information for audit purposes;.
- ✓ leadership instability in Departments and State-owned Enterprises (SOEs).

Oversight Challenges



- ✓ reactionary, rent-seeking and political interference in administration; and
- ✓ weak follow-up mechanisms on implementation of resolutions and recommendations.

Building a culture of accountability and responsiveness



- ✓ Our constitutional arrangements;
- ✓ Public Audit Amendment Act 5 of 2018;
- ✓ lack of competent and energetic leadership;
- ✓ consequences for malfeasance ('Tigers and Flies');
- ✓ a people-centred public morality; and
- ✓ raising the consciousness of the people.

CONCLUSION

“ Our policies must flow from the logic of the African situation, and in the fundamental long-term interest of the African millions”

Robert Mangaliso Sobukwe

END

