



SAHRC: Accountability of the State

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18 March 2015

For an Equitable Sharing of National Revenue.

THE IMPORTANCE OF ACCOUNTABILITY IN GOVERNMENT

- Accountability in government is a very important issue as it fosters confidence in the governance system, and it justifies and legitimizes all the activities of government
- When accountability is institutionalised in public sector institutions, it ensures that delegation lines are clear, there is suitable apportionment of resources for tasks, staff in charge of tasks are competent, proper information is available and appropriate sanctions or rewards are applied
- Accountability is a desired outcome of development and improved service provision, and promotes the efficient and effective mobilisation and management of resources. Without it service delivery can be compromised
- In fostering accountability, significant reforms to the budget process and documentation have been introduced to provide more consistent information, and expenditure responsibilities have largely been devolved as envisaged in the

THE IMPORTANCE OF ACCOUNTABILITY IN GOVERNMENT (CTD).

- An accountability framework is also provided in the Public Finance Management Act (PFMA) and Municipal Fiscal Management Act (MFMA), in particular on the allocation and utilisation of state resources

The PFMA as an Accountability Tool

- The PFMA sets out accountability principles that devolve responsibility for service delivery to departmental managers
- It clarifies the role and duties of accounting officers and lays the foundation for improved financial reporting.
- In particular, it establishes clear lines of accountability for intergovernmental transfers
- The accountability chain, as stipulated in the PFMA, alludes to the responsibilities of accounting officers which revolve around the production, implementation, monitoring and reporting of each department's strategic plan and budget
- This chain ends with the Auditor-General and SCOPA, as these tie non-compliance with failure to account

The MFMA and Accountability

- The Municipal Finance Management Act (2003) (MFMA) underpins the process of democratic accountability, and its key objective is to modernise municipal financial management so as to lay a sound financial base for the sustainable delivery of services
- The MFMA, together with the Municipal Structures Act (1998), the Municipal Systems Act (2000), the Municipal Property Rates Act (2004) and the Municipal Fiscal Powers and Functions Act (2007), sets out frameworks and key requirements for municipal operations, planning and budgeting
- This set of legislation governing local government also provides for a number of mechanisms for strengthening accountability and good governance

CONTEXTUALIZING ACCOUNTABILITY: THE NDP

- Given the relevance and importance of accountability in fighting corruption and strengthening governance, the NDP dedicates an entire chapter on accountability (Chapter 14). The following key points emerge from the NDP:
 - State systems of accountability have been uneven, enabling corruption to thrive
 - Cost associated with the twin challenges of corruption and lack of or inadequate accountability systems are mostly felt by the poor through the impact on the quality and accessibility of public services
 - Appreciative of the role transparency plays in creating an accountable government, the right to access to information and the right to administrative justice in the Bill of Rights are enshrined in the Constitution
 - To give effect to these rights, two laws were passed in 2000 to provide a foundation for open, transparent and accountable government
 - These laws are the Promotion of Access to Information Act and the Promotion of Access to Justice Act

INSTITUTIONS STRENGTHENING CONSTITUTIONAL DEMOCRACY

- In addition to progressive laws that reinforce and promote accountability, South Africa has created a number of institutions that play an important role in strengthening democracy
- These include oversight institutions established in terms of Chapter 9 of the Constitution, for an example, the Auditor General and Public Protector
- These are playing an important role in combating corruption and holding public officials to account
- The FFC was also constitutionally established with the mandate to make recommendations regarding intergovernmental financial matters to parliament, provincial legislatures and other authorities determined by national legislation

FOSTERING ACCOUNTABILITY

- Since the advent of the democratic dispensation in 1994, the FFC has fostered and entrenched accountability through the following measures:
 - Its yearly recommendations (in the form of Annual Submissions): national legislation dealing with the division of revenue, equitable share and grants may not be passed before Parliament has consulted the Commission and considered its recommendations
 - The introduction of expenditure reviews and the introduction of norms and standards in the allocation of resources and the subsequent utilization of the resources allows for tracking trends in government spending although most departments are lagging behind in developing such norms and standards
 - The Commission scrutinizes revenue and expenditure trends as a means of getting government to account on the use of resources. The Minister of Finance consults the Commission before introducing the Division of Revenue Bill in the National Assembly and has to report on how the recommendations of, and consultations with the Commission have been taken into account

FOSTERING ACCOUNTABILITY (CTD).

- The Commission also interacts with various portfolio committees and together with the Auditor General and the Public Service Commission has been quite central in the implementation of the Money Bills Amendment Procedure Act of 2009. This has assisted the legislature in evaluating strategic and Annual performance plan and processing the relevant appropriation and expenditure proposals as well as in year tracking of expenditure
- Government has also assisted in the sense that all relevant information and documentation is published in detail and made available to all to enhance transparency, a fact that has one South Africa international accolades when it comes to providing information on the budget. However the downside impact is still weak due to lack of useful utilization of such information by the citizens and legislatures for ensuring accountability
- FFC has broadened the politician's understanding of responsibilities for allocative decisions rather than bureaucrats
- FFC has entrenched consultations with provinces and organised local government on the annual Division of Revenue Act and the structure of conditional grants
- Building these intergovernmental fiscal institutions contributed to better oversight through consultation, coordination, and sharing of best practices, especially in the first decade of reform after 1994

CHALLENGES TO ACCOUNTABILITY

- Weak Oversight bodies:
- Multiple Accountabilities
- Weak accountability infrastructure
- Capacity challenges
- Uneven enforcement
- Stalled progress in reforming PFMA is also a weakness

Thank You