Effectiveness and Efficiency of Public Accounts Committees (PACs) in Enhancing Oversight and Accountability in the Public Sector

R.A. Makhado*, K.L. Masehela and R.W Mokhari

Research & Evaluation Section, Limpopo Legislature, Private Bag x9309, Polokwane, 0700, South Africa.

*Corresponding author. E-mail: makhado2002@yahoo.com

The paper was presented during the 2012 SALSA Development Seminar, 02-05 October 2012, East London, Eastern Cape, South Africa

ABSTRACT

Public Accounts Committees (PACs) has significant role to play in enhancing oversight and accountability for the use of public funds. This paper discusses the role of PACs in promoting effective, efficient and economic (EEEs) use of public resources for the benefit of the public. It also provides the theoretical background, practical experiences and challenges faced by PACs in executing their mandate. The question addressed in this article is “whether PACs within the respective Legislatures are effective and efficient in performing their mandate as enshrined in the Constitution”. Based on empirical evidence of financial misconduct, fraudulent activities, and corruption cases in the public sector, it is argued that more still need to be done by the PACs in order to continuously improve its work. Institutions such as APAC, Auditor General, National Treasury and South Africa Legislative Sector need to continuously capacitate PACs Members.
and support staff on oversight and accountability best practices so that those committees can be effective and efficient in executing their mandates. Considering challenges faced by PACs, several recommendations were also proposed in order to address those challenges.

**Keywords:** oversight, accountability, public accounts committee, effectiveness, efficiency

**INTRODUCTION**

This paper reflects on the experience gained over the years working as support staff for the Public Accounts Committee (PACs) in the Limpopo Province, and challenges facing PACs. The study brings together views and opinions with regard to the effectiveness and efficiency of the PACs in enhancing oversight and accountability functions over the Executives.

Over the years, the Association of Public Accounts Committees (APACs) has played a vital role in capacitating PACs Members and support staff so that they could effectively and efficiently perform their oversight and accountability functions (APAC, 2008). The association distinguishes itself as an association concerned with public finance management, empowerment and promotion of sound, accountable and transparent governance in collaboration with oversight committees and other relevant bodies (APAC Annual Report, 2008/09). The association annually organise a conference in order to provide delegates with an opportunity to interact, network, share best practices and experiences with regard to oversight and accountability matters.

Sections 42(3), 55(2), 92, 114(2), 115(a&b) and 133 (2) of the Constitution of the Republic of South Africa, 1996 vests the National Assembly and Provincial Legislatures with powers to
conduct oversight over their respective Executives and to hold them accountable for the use of public resources. In-line with the provisions of the Constitution, PACs have critical role to play in overseeing the use of public funds. This implies that PACs needs to conduct oversight over the Executives and hold them accountable for the use of public funds. The “million dollar question” is whether PACs within the respective Legislatures are effective and efficient in performing their mandate as enshrined in the Constitution? Considering empirical evidence of financial misconduct, fraudulent activities, and corruption cases; more still need to be done by the PACs to continuously improve its work. The unfortunate part is that such mal-practices compromise service delivery as shown by various service delivery protests occurring in South Africa.

It should also be realised that the effectiveness and efficiency of the PAC work is mainly measured on how the Committee conduct its oversight functions, and how they hold the Executives accountable for the use of public funds. These two words (oversight and accountability) are therefore critical for the work of the PACs, as they are dependent and their meaning should be clearly understood. For instance, efficient accountability is dependent on effective oversight. In the same manner, accountability can be strengthened through proactive oversight. This means that if PACs plan their oversight effectively, it will strengthen accountability, which could also promote efficient use of public resources. In this context, the most important element of oversight is to promote accountability in the use of limited public resources for effective service delivery to the public, and to restore public confidence over government. With that understanding, it is therefore important to firstly explain the concept of oversight and accountability.
CONCEPT OF OVERSIGHT AND ACCOUNTABILITY

Concept of Oversight

Oversight refers to the crucial role of the Legislatures in monitoring and reviewing the actions of the Executive organs of government. It refers to action or mechanism taken to oversee ‘financial and non-financial’ performance of government departments and public entities. It further entails overseeing the effective management of government departments by Members of Cabinet in pursuit of improved service delivery to all citizens. The National Parliament of South Africa (2009) outlined the functions of oversight as follows:

• To protect the rights and liberties of citizens.
• To hold government departments and public entities accountable for use of ‘taxpayers’ money.
• To improve the efficiency and effectiveness of government operations.
• To monitor the achievement of government departments and public entities in relation to their Annual Performance Plan (APP) and Strategic Plan.
• To reinforce transparency and good governance.

The tools for effective oversight include, amongst others:

✓ Quarterly and Annual reports (including the Auditor-General report)
✓ Investigation reports
✓ Strategic Plan, Annual Performance Plan and budget
✓ Site visits (practical means to oversee performance)
Concept of Accountability

Accountability means ‘to give an account’ of actions or policies, or ‘to account for’ spending of public funds. It refers to the duty of the Accounting Officer to account as ‘Accounting Officer’ to the Minister, MEC, Auditor-General, and Legislature Committees through explaining or justifying their decisions or actions taken when they use public funds. Accountability is therefore meant to encourage open and transparent governance. It serves as the function of enhancing public confidence in government (Corder et al., 1999). The National Parliament of South Africa (2009) outlined the functions of accountability as follows:

- To effect and strengthen democratic control.
- To enhance the integrity of public governance.
- To improve performance on service delivery.
- To enable the public to judge the performance of government.

The tools that should be used for effective accountability include, amongst others:

- Budget vote (most direct tool to enforce accountability).
- Public hearings (the power to summon the Executive bodies to explain their actions or decisions).

EFFECTIVENESS AND EFFICIENCY OF PACS

At the Provincial Legislatures level, the PAC is a mechanism established in terms of section 114(2) of the Constitution, to maintain oversight of the exercise of Executive Authority and provincial organs of state, and to ensure that Executive organs of state account to the Legislature.
However, it should be noted that the effectiveness and efficiency of the PACs is primarily based on how best the Committee conduct its oversight functions and how best they hold the Executives accountable for the use of public resources.

The current state of oversight and accountability shows that significant strides have been achieved by the PACs, primarily due to capacity development offered by the APACs. The capacity development programmes initiated by APACs are starting to yield positive results. At the current moment, the Executives do take the PACs seriously as compared to the past ten years ago. In the past, only Accounting Officers used to attend the PACs public hearings. However, continuous trainings received by Members and staff of the PACs and the realisation of the PACs roles by the Executives have led to maximum attendance. At the current moment Ministers, MEC and Premiers do accompany Accounting Officers to the hearings, and if necessary they also respond to questions raised by the PACs.

In addition, many departments, public entities and municipalities used to get disclaimers and adverse audit opinions. The situation is gradually changing for the better. This is primarily due to the requisite skills and knowledge acquired by Members of the PACs when performing oversight responsibilities over the Executives. For instance, in the 2009/10 financial year, the Auditor-General Limpopo reported that 67%, 25% and 8% of the Limpopo Provincial Departments audited received unqualified, qualified and disclaimer of opinions respectively (Auditor-General of South Africa, 2009/10). Very few departments currently obtain disclaimers. In addition, the municipalities are also coming into the picture as far as clean audit is concern. For instance, Fetakgomo Local Municipality managed to obtain a financially unqualified opinion with no other
findings in the 2009/10 financial year (Auditor-General of South Africa, 2011). The situation is improving gradually, which demonstrate the improvement in the institutions oversight and accountability practices.

The ability of the PACs to track resolutions, making reference to the PAC in Limpopo, demonstrates that progress has been made to ensure that the Committees work is effective and efficient. Although other PACs in South Africa still experience challenges when it comes to effective oversight and accountability - mostly due to lack of capacity, the increase in the number of resolutions implemented by the departments and public entities, and transparency in the form of disclosures of expenditures, further provide evidence that PACs work is progressing.

**ROLE OF PACS IN IMPROVING SERVICE DELIVERY**

Poor service delivery cost government a lot of money and increases service delivery protests. The PACs has critical role to play in ensuring that high quality service is delivered to the public. The roles played by PACs are as follows:

- They scrutinise the use of public funds on behalf of Parliament and Legislatures.
- Ensures that government departments and public entities effectively, efficiently and economically use the available public resources to meet delivery goals and for the benefit of the public.
- Ensures that maximum performance is attained, but at the same time not compromising the quality of service rendered to the public.
• Ensures that government departments and public entities are held accountable for non-compliance with regulations (Meyer, 2011).

CHALLENGES OF PACS WITH REGARDS TO BEING EFFECTIVE AND EFFICIENT IN EXECUTING THEIR CONSTITUTIONAL MANDATES

It may prove quite a challenge for PACs to critically assess its weaknesses, but at the same time it should be noted that the recognition of weaknesses is not a failure – it is an opportunity to find constructive ways to learn, grow and evolve (Republic of South Africa, 2009). The PACs in different jurisdictions faces various challenges, amongst them, are as follows:

(a) **Capacity constrains**: the effectiveness and efficiency of the PACs is also determined by the technical support they received from the support staff. The PACs are expected to perform at its best, but there is a lot of work which is done by support staff before and after the Committee has conducted its oversight and accountability work. Such work (e.g. drafting of questions, logistic arrangement for hearing, drafting of resolutions and tracking the implementation of resolutions) requires that the PACs has enough support staff. At the current moment, most of the PACs are served by two support staff, which is not enough, considering the volume of work that need to be processed. There is also lack of skills that can cover all aspects ranging from information technology, financial management and public administration. In addition, as government budget and expenditures increases, it will require changes in the current systems of financial management. Such changes will also require that more resources and technical expertises be devoted to the PACs so that it can be effective when executing its functions.
(b) **Shift of PACs Members and support staff**: PACs mostly deal with issues that have happened in the past financial years. Institutional memory from Members and support staff thus becomes important for the effectiveness of the Committee. When Members and support staffs are being shifted from one Committee to the other, Committees turn to lose vital information, knowledge and skills which can be used as a “weapon” to make strong follow-ups, and to effectively track the implementation of resolutions.

(c) **Budgetary constrains**: most PACs operate within a limited budget, which hinders on their oversight work. Lack of budget also implies that even if there is training for Members and support staff, not all Members nor support staff will have an opportunity to attend such a training. Lack of budget means that few Members and support staff have to be elected or seconded to attend the training.

(d) **Work backlogs**: the Legislatures programmes are too congested, coupled with political commitment from Members, increases workload and backlogs. All those workloads and backlogs need to be dealt with, but at the same time not compromising robust oversight and accountability.

(e) **Powers of the PACs**: Unlike in countries such as Australia, PACs in South Africa don’t have powers to impose fine for regulations transgression. The power of the PACs in South Africa is limited to making recommendations to the House. The interesting part is that the PACs are considered as the “watchdog” for public funds, but the media fraternity often indicates that the PACs don’t have teeth to bite those who steal tax payer’s money. Lack of power also results in other resolutions not being implemented.

(f) **Partisan**: evidence suggests that other decisions taken by the PACs are often influenced by political affiliation and factions, and does not often represent the interest of the public.
Such approaches compromise the effectiveness and efficiency of oversight and accountability work.

(g) **Readiness to account**: number of departments and public entities being dismissed at the PACs public hearings, and the department’s tendency of submitting documents to PACs at the 11th hour, indicates that most Accounting Officers are not that ready to account for the use of public funds. The responses provided quite often lacks supporting evidence, which make it difficult to take decision on whether the resolution has indeed been implemented or not. All these challenges lead to department being dismissed from the hearing, which also increases workload and demand for more resources. At the end, it also shift the target of the Committee, the target will be to finish the workload, which often compromises oversight and accountability work.

(h) **Integrity over financial matters**: PACs also faces a challenge of assuring the public that public resources are effectively and efficiently managed. If the Committee can provide that assurance, it can restore public confidence (Auditor-General of British Columbia, 1989). However, evidence of corruption and misuse of public funds makes it difficult for the Committee to provide such assurance to the public with high degree of confidence.

**INSTITUTIONS THAT WOULD ASSIST IN MAKING PACS EFFECTIVE AND EFFICIENT**

Considering the challenges faced by the PACs, there are various institutions established in South Africa that could assist PACs to be effective and efficient. Table 1 provide the list of crucial institutions that would assists in making PACs functions to be effective and efficient. These are
institutions that strive to strengthen democracy, transparency and good governance. It is our belief that with greater engagement, cooperation and coordination, those institutions can contribute significantly to effective and efficient work of the PACs.

**Table 1**: List of institutions that would assist in making the PACs functions to be effective and efficient. The table shows the roles of those institutions and the current level of assistance offered by those institutions to the PACs.

<table>
<thead>
<tr>
<th>Name of the Institutions</th>
<th>Role/Assistance</th>
<th>Current level of assistance offered to PACs/Usage of those Networks</th>
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</table>
| Association of Public Accounts Committees (APACs) | - Capacity development  
- Network platform | ![ ] |
| Southern Africa Development Community Organisation of Public Accounts Committees (SADCOPAC) | - Capacity development  
- Network platform | ✓ |
| Auditor-General | - Capacity development  
- Advice on audit findings | ✓ |
| National and Provincial Treasury | - Capacity development  
- Advice on audit findings | ✓ |
| Public Service Commission (PSC) | Provide investigation reports | ✓ |
| Public Protector | - Provide investigation report  
- Follow-up on issues that warrant investigation | ✓ |
| South African Human Rights Commission | Follow-up on issues that warrant investigation | ✓ |
| Universities | Capacity building | ✓ |
| Special Investigation Units (e.g. Hawks, SAPS) | Follow-up on issues that warrant investigation | ✓ |
| Media | Information dissemination to the public | ✓ |
| Civic Societies | Represent the interests of the society during hearings | ✓ |
USAGE OF THE AVAILABLE NETWORKS BY THE PACs

The current usage of the available networks by the PACs to enhance oversight work has been illustrated in Table 1. Table 1 show that most PACs in South Africa heavily use information from the Auditor-General in order to conduct oversight and to hold the executive accountable. They also heavily relied on APAC, Auditor-General, National and Provincial Treasury for capacity development, and use the media mostly to disseminate information to the public.

Although the current state shows that networks from institutions such as Public Service Commission, Public Protector, Human Rights Commission, Universities and civic societies are not used maximally, there is still a greater need for usage of those networks in order to enhance Committee oversight and accountability work. It should be considered that the usage of available networks also depends on the availability of those institutions, and easy access to information produced by those institutions. It will also be critical if those institutions table their investigation reports to the House so that such reports can be referred to the relevant Committee for consideration. In the same sentiment, it is critical for Members and staffs are continuously up-skilled on computer literacy so that they can be in a position to access, search and download information on-line, and exchange ideas via the usage of social media networks.

CONCLUSION

The Public Accounts Committees have essential role to play in ensuring that the quality service delivered to the public is improved, by ensuring that effective oversight over the Executives is
conducted. The effectiveness and efficiency of the PACs in conducting oversight over the Executives has been strengthened over the years, mostly through capacity development programmes offered by the APACs and Southern Africa Development Community Organisation of Public Accounts Committees (SADCOPAC). The number of resolutions taken and implemented thereof by the Executives clearly provides evidence that progress has been made by the PACs to effectively and efficiently conduct oversight and to be able to hold the Executives accountable for the use of public resources. However, the dynamic nature of the PACs work requires that PACs Members and support staff are at the cutting edge of knowledge construction, specifically when it comes to oversight and accountability practices. In addition, service delivery protest demonstrated across South Africa, and corruption cases as reported in the media fraternity, indicates that more still need to be done by the PACs. Considering various challenges faced by PACs, the APACs and SADCOPAC have more that should offer the PACs when it comes to effective and efficient oversight and accountability practices.

**PROPOSED RECOMMENDATIONS**

The followings are proposed interventions that need to be implemented in order to ensure that the work of the PACs consistently improves:

(a) **Capacity building**: APACs and SADCOPAC should continuously capacitate PACs Members and support staff on effective oversight. This can be done through training, professional skills development programmes (recognised qualification), exchange programmes, and study opportunities. Such interventions will assist PACs to effectively and efficiently conduct oversight, ensures maximum accountability,
interpret financial statements, draft resolutions, and be able to track the implementation of resolutions taken. The quality of oversight work as conducted by the PACs needs to be improved through training in order to ensure that fraudulent and corruption related activities are detected early and thus prevented. It should be noted that the work of PACs is too voluminous, which requires that PACs be adequately capacitated with more support staff (researchers, committee coordinators and legal advisors) in order to ensure that the Committee performs at the highest level. Support staffs need to represent the diversity of knowledge and skills; ranging from auditing, financial management, law, information technology and administration. Such diverse knowledge and skills will assist Members with technical information required to effectively execute the Committee functions.

(b) **Building institutional memory**: unless there is underperformance, Members and support staff of PACs must remain in the same Committee in order to build institutional memory and for easy tracking of resolutions.

(c) **Allocation of more resources**: PACs need to be allocated with enough funds which can enable the Committee to effectively execute its functions.

(d) **Clearing work backlogs**: workload can be cleared by holding two public hearings per annum. The acceptance of the proposed intervention also means that more funds must be allocated to perform that task. Departments and public entities need to take the work of the PACs seriously, documents submitted during 11th hour should not be considered by the Committee.

(e) **Non-partisan**: if PACs are to meet the growing challenges placed upon them, and achieve its full potential of improving the value of money obtained from government
expenditures, it is essential that its work be conducted in a non-partisan and open atmosphere (Auditor-General of British Columbia, 1989). This implies that decision taken and recommendations proposed by the PACs should not be based on political affiliations, but rather it should be fair and democratic. It is also proposed that PACs be independent from sectors that may influence decision making. This means that PACs Members need to act in the best interest of the public and avoid political pressure that can compromise the work of the Committee. It is therefore important that Members serving on PACs conduct themselves in a manner that display good ethics and principles, and uphold their integrity as institutions established to promote oversight and accountability (Auditor-General of British Columbia, 1989).

(f) **Cooperation with other oversight institutions**: although other PACs at different Legislatures have good relations with other oversight institutions, there is still a need for the APACs to facilitate and strengthen maximum relations between PACs and other oversight institutions. Good cooperation and relations are crucial for sharing information and to strengthen the fight against fraud and corruption in the public sector. It is therefore crucial for the APACs and SADCOPACs to expand its relationship with all relevant stakeholders and link them with PACs; in order to promote accountability, good governance and democracy. It is also important that institutions which support good governance, transparency and democracy tables their reports to the Legislature, represented during PACs public hearings and should be given an opportunity to advice the Committee. There is also a need for APAC to lobby for legislation that would bar public servant and representative to do business
with government and legislation that could give PACs powers to impose fine for legislation transgression.

(g) **Cooperation with other Committees of the Legislature:** it is essential that the PACs cooperate with other Committees of the Legislature in order to ensure that matters arising from the PACs public hearing are being followed-up quarterly by the relevant Portfolio Committee. This implies that the Portfolio Committees Chairpersons must attend PACs public hearings. This will ensures that policy matters and other issues raised during PACs public hearing are easily followed during Portfolio Committees meetings.

(h) **Executive accountability:** it is also critical for PACs to ensure that the Minister, MECs and Mayors of the relevant department or entity attend the PACs public hearing (Seloane, 2009). This will assist in the implementation of decisions and actions recommended during the hearing.

(i) **Public awareness:** there is still a need for the APACs and PAC to drive a public awareness programme in order to sensitize the public about the PACs role, mandate and activities. The public need to be informed about activities happening at the PACs. The awareness programme can be rolled-out through the media and through pre-public hearing meeting. Pre-public hearing meeting can assist in sensitising the public on the activities of the PACs. During PACs public hearing, the general public must be invited so that they can observe whether there is integrity over financial matters.
ACKNOWLEDGEMENTS

The authors appreciated the moral support provided by the Chairperson of SCOPA in Limpopo and the entire Leadership of the Limpopo Legislature. We also acknowledge financial support provided by the Secretaries Association of the Legislatures of South Africa (SALSA) and Limpopo Legislature.

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