

THE MANAGEMENT OF PUBLIC FUNDS: AN ANALYSIS OF PERFORMANCE OF THE SOUTH AFRICAN GOVERNMENT

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ABSTRACT

Legislation is an important element in ensuring accountability and transparency in the utilisation of public funds. However, as reflected in the State of the Public Service Report (2010 and published every five years), accountability is still a cause for concern and still needs greater attention as many departments still receive qualified, adverse or disclaimed audit opinions from the Auditor-General, pointing out serious financial mismanagement. This article explores the mechanisms available to facilitate accountability of public funds and will reflect on the outcomes of the general report on the National Audit Outcomes 2013/2014. The role of parliamentary committees will be highlighted, as they have complementary roles towards strengthening the *ex post* oversight process reflecting on accountability. Although the public financial management process enforces transparency and accountability, there are still shortcomings. The improvement of governance and financial accountability

are of critical importance as the taxpayer, or the public, is eager to determine if public monies have been spent effectively and efficiently.

INTRODUCTION

Accountability is a hallmark of modern-day democratic societies. These rest on effective public sector financial management in collecting and spending of funds by the public sector. Public sector financial management is, thus, a key component of political, economic and administrative governance and requires transparency of public activities and their financing, as well as the accountability of the persons responsible for them. Systems of monitoring and reporting are essential to ensure that public officials are held accountable for their actions (or inactions), to ensure that laws are administered and public services are, accordingly, efficiently delivered. Weak state and public governance allows corruption to divert public resources from the purposes for which they were allocated.

The aim of this article will be to provide an oversight of accountability and the mechanisms to facilitate accountability, the role of parliamentary committees will be highlighted and the audit committees, as an accountability instrument, will be discussed. The article will conclude with the analysis of the general report on the National Audit Outcomes and reflect on the outcomes of the report.

In the article, the qualitative approach is dominant and was useful for the collection of views from authors, as documented in the form of books, academic articles and official publications. The information generated was organised and categorised into themes, with specific reference to accountability and the legislative framework and mechanism to ensure accountability.

THE PUBLIC FINANCE FUNCTION

Public budgeting involves the selection of ends and the selection of means to reach those ends (Lee, Johnson & Joyce, 2008:24). It involves the division of society's economic and financial resources between the public sector and the private sector, as well as the allocation of these resources among competing public sector needs (Key, 1940:106). Public budgeting systems are systems for making choices of ends and means, and public budgeting systems work by channelling various types of information about societal conditions and about the private and public values that guide resource allocation decision-making. Information is processed by people in political and

administrative processes, articulating political and economic values to make budget decisions.

Budgeting systems produce and process a variety of programme and resource information for decision-making by participants in budget decision-making. The reorganisation of existing information, and the provision of different types and greater quantities of information for improved decision-making, have been the object of budgetary reforms over many decades. Budgeting techniques have evolved to satisfy the growing demand for budget information and to solve technical problems in budgeting and decision-making.

Public financial management techniques assist government to translate its strategies into action, provide financial information for decision-making and accountability, as well as provide a responsive and efficient public sector. The broad objectives of public finance are to achieve overall fiscal discipline, allocation of resources to priority needs, and efficient and effective delivery of public services (World Bank 1998:17. *Cf.* Pauw, Van der Linde, Fourie & Visser, 2015:64-67). Sound public financial management supports aggregate control, prioritisation, accountability and efficiency in the management of public resources and delivery of services, which are critical to the achievement of public policy objectives. Effective public financial management is, therefore, central to government's ability to deliver services to citizens and to ensure sustainable development.

Good public sector governance is important to provide adequate accountability to its many stakeholders, including taxpayers, and to encourage performance improvement while satisfying control and compliance requirements (IFAC, 2001; ANAO, 2003; CIPFA, 2004).

CONTEXTUALISATION OF ACCOUNTABILITY

Public financial management concerns the effective management of the collection and expenditure of funds by government. As societal needs will inevitably be greater than the resources available to government, all public resources must be used as efficiently as possible with a minimum of government wastage. Efficient public financial management is central to creating a relationship of mutual trust and shared consensus between government and the citizens it serves (Pauw *et al.*, 2015:128-131).

Conradie (2007:17) defines accountability, in simple terms, as the obligation to render account for responsibilities conferred. It, therefore, deals with a relationship between the represented and the representative, and the flow of information about that representation. Accountability can, thus, be broken down into accountability for policy, programme, process and probity, and in terms of political or managerial accountability. For programme and probity purposes, some users of accountability reports need information such as an overview of the financial position and operating results in respect of, for example, a programme or a distinctly

separate government entity. Probity may also relate to the move towards compliance reporting, since probity, in essence, would also constitute compliance in respect of financial matters. The need for information for accountability purposes is about understanding what the public sector has done with the responsibilities conferred and the resources assigned for a specific period.

According to Gloeck (2003:66), the concept of accountability is relatively simple. It is not the concept itself that is difficult to understand: the factors that influence it are complex, and difficult to describe and to analyse. This becomes clear once one realises that socio-political and socio-economic factors, as well as mass psychology, are involved. In addition, in determining accountability requirements, questions such as what constitutes the public interest, and defining ethical norms, need to be addressed. Therefore, attempts to capture the concept of public accountability in a concrete definition can find it to be rather elusive. As it depends on changing determinants, the concept itself is not cast in stone, but evolving and adapting continuously.

The Oversight Model of the South African Legislative Sector (2012:3) defines accountability as a social relationship where an actor (an individual or an agency) feels an obligation to explain and justify his or her conduct to some significant other (the accountability forum, accountee, specific person or agency). Parliament's Oversight and Accountability Model outlines the undermentioned accountability functions:

- To enhance the integrity of public governance in order to safeguard government against corruption, nepotism, abuse of power and other forms of inappropriate behaviour.
- As an institutional arrangement to effect democratic control.
- To improve performance, which will foster institutional learning and service delivery.
- In regard to transparency, responsiveness and answerability, to assure public confidence in government and bridge the gap between the governed and the government and ensure public confidence in government.
- To enable the public to judge the performance of the government by the government giving account in public.

In context with accountability, good governance needs to be included, as it seeks efficient institutions and a predictable economic and political environment necessary for the economic growth and effective functioning of public services. It ensures that political, social and economic priorities are based on broad consensus in society, and that the poor and vulnerable participate in decision-making over the allocation of development resources. Governance, therefore, encompasses the functioning and capability of the public sector, as well as the rules and institutions that create the framework for the conduct of both public and private business, including accountability for economic and financial performance (Abellatif, 2003:4-5; Thornhill, Van Dijk & Ile 2014:21-22).

LEGISLATIVE FRAMEWORK TO ENSURE ACCOUNTABILITY

Section 215 of the Constitution prescribes that the national, provincial and municipal budgets must promote transparency, accountability and the effective financial management of the economy, debt and the public sector. Section 216(1) mandates the National Treasury to prescribe measures to ensure transparency and expenditure controls. The Constitution could be regarded as the cornerstone of good governance in the financial management of the State and national revenue. In terms of the Constitution, the *Public Finance Management Act* (Act 1 of 1999), (hereafter the PFMA), was created and, chapter 4 of the PFMA, prescribes the tabling of the annual budget to Parliament, adjustments to budgets to the National Assembly and publishes reports on the state of the budget in the *Government Gazette* at the end of each month; while unauthorised expenditure or overspending, if not approved by Parliament or the provincial legislature, is deducted from the next year's budget allocation. The financial statements must be prepared in accordance with generally recognised accounting practices audited by the Auditor-General, and submitted with the annual report to Parliament by the accounting officer. The Constitution clearly prescribes the need for transparency and accountability through the separation of powers of government and Parliament, as well as enforcing the independent investigative and reporting role of the Auditor-General.

This institutionalisation of the budget approval and report process is extended by the PFMA, which prescribes accountability, as well as distinguishes between the role and function of the Cabinet member, Legislature and the Auditor-General in the management of public funds. The financial plans and the budget process can be considered as the point of departure for responsible, transparent and accountable public sector financial management. The PFMA requires that these plans, which reflect the government's priorities in terms of service delivery, are tabled in Parliament and are made public, following the budget speech of the Minister of Finance (Fourie, 2006:438-439).

In the South African public sector, the division of accountability is evident from the PFMA. Accountability among public officials starts with the accounting officer of a government department. The responsibilities are to ensure that the department has, and maintains, a system of financial and risk management and internal control. This system of internal control must be monitored by an internal audit function under the control and direction of an audit committee. It can be seen that the audit committee has been built into the legislative framework as an accountability instrument.

The State of the Public Service Report (2010:49-55) (published every five years) states that, in terms of Chapter 10, Section 195(1) of the Constitution, Public Administration must be governed by the democratic values and principles enshrined in the Constitution, including the nine principles. The

sixth principle, "Public Administration must be accountable", is the principle that reports on accountability. This Report states that, over the years, the Public Service has put enabling mechanisms in place to promote accountability for performance at the level of officials. The implementation of the various mechanisms has been complemented very effectively by the process that the President has embarked on in terms of signing performance agreements with Ministers. However, the new outcomes approach will test the maturity of the accountability culture of government further, and this takes place at a time when accountability, at the level of individual departments, still shows some gaps. Parliament and the provincial legislatures will also have to reflect critically on what the outcomes-based approach means for them when it comes to holding the members of the Executive to account, as individuals and as part of a collective responsible for specific outcomes.

MECHANISMS TO FACILITATE ACCOUNTABILITY

Fourie (2006:439) asserts that the Constitution mandates state institutions in Chapter 9, such as the Auditor-General (AG), Public Protector and the Public Service Commission, which are the primary institutions to ensure good public governance, and to uphold constitutional democracy. These institutions are independent and are impartial and subject only to the Constitution and the law. The separation of powers, through unfettered and independent constitutionally mandated institutions, is fundamental to prevent

corruption and to hold all organs of state in the public sector financially accountable. There are also other regulated institutions, such as the Special Investigations Unit, that play a critical investigative role. The power and functions of these institutional mechanisms facilitate good governance through their public pronouncements and exposure and, beyond this, they serve as a deterrent to corruption. The constitutionally mandated institutions, such as the Auditor-General, Public Protector and the Public Service Commission, are established to ensure good governance in the public sector. These are fundamental mechanisms that will reveal financial mismanagement by state departments, entities and officials.

The Auditor-General, as a Chapter 9 Institution established by the Constitution, is an independent entity and subject only to the Constitution and the law. It is accountable to the National Assembly, and it is incumbent on all other organs of state to ensure the independence, impartiality, dignity and effectiveness of the Auditor-General (The Auditor-General South Africa Reporting Guide, 2009:2). As the Supreme Audit Institution (SAI) of South Africa, it exists to strengthen the country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby, building public confidence. The ultimate goal of the audits concerned is to strengthen the South African democracy.

In terms of Section 188 of the Constitution, the Auditor-General must audit and report on the accounts, financial statements and

financial management of all national and provincial departments, all municipalities and any other institution or accounting entity required by national and provincial legislation. The Auditor-General must submit audit reports to any legislature that has a direct interest in the audit and any other authority prescribed by national legislation.

The objective of an audit of financial statements is to enable the auditor to express an opinion as to whether or not the financial statements fairly present, in all material respects, the financial position of the entity at a specific date, and the results of its operations and cash flow information for the period ended on that date, in accordance with an identified financial reporting framework and/or statutory requirements. The auditor's opinion enhances the credibility of financial statements by providing a high, but not absolute, level of assurance to the users of the financial statements. In addition, the Office of the Auditor-General provides extensive support to the public accounts committees in the form of briefings, report writing and training, as well as acting as an expert witness during hearings.

The audit report is the only independent assessment of the quality of financial statements, including all its disclosures. It is, therefore, one of the most important reports to consider when reviewing a department's annual report. The role of the auditor is to comment to the legislature on the reasonableness and fairness of the annual financial statements that are submitted by departments and entities (The Guideline

for Legislative Oversight through Annual Reports, 2005:11-20). Qualified, adverse or disclaimed audit opinions are a cause for great concern, as they could point to serious financial mismanagement. It should be noted that the scope of such audit opinions is narrow, and may not cover serious financial management transgressions such as overspending (which is a transgression of sections 213(2) and 226(2) of the Constitution). For this and other reasons, the auditor also issues an "emphasis of matter", which focuses on critical risk areas or weaknesses in financial management systems that the accounting officer or accounting authority should address. Even when the audit opinion is unqualified, committees should pay close attention to the emphasis of matter (and any overspending), and examine whether there are any issues that it needs to take up with the Minister/MEC or the accounting officer (The Guideline for Legislative Oversight through Annual Reports, 2005:11-12).

Report of the Audit Committee

The report of the audit committee must not be confused with the audit report of the external auditor. The report of the audit committee (which is established by a department and reports to the accounting officer) normally deals with the findings of the department's internal audit unit, and highlights areas of risk that require attention. It is a requirement that all departments must prepare a risk management plan, which the audit committee uses to assess whether the department's internal operations deal adequately with the risks identified in the risk

management plan, and also whether the risk management plan itself deals with the key risks that any department faces. The successful functioning of the audit committee assists the external auditor with the audit process (The Guideline for Legislative Oversight through Annual Reports, 2005:11-12).

Tabling and Oversight Processes for Annual Reports

The Guideline for Legislative Oversight through Annual Reports (2005:5) asserts that the most important documents tabled for any department every year are its strategic plan, budget and annual reports. The strategic plan and budget of a department are *forward-looking*. To ensure good governance and oversight, the strategic plan sets out what the department intends to do and the funds it will spend in the coming financial year. The annual report, on the other hand, is *retrospective*, as it reports on actual performance at the end of the financial year, reporting on how its strategic plan and budget were implemented.

ROLE OF PARLIAMENTARY COMMITTEES

The Guideline for Legislative Oversight through Annual Reports (2005:5) has the aim to strengthen the current end-year, or *ex post*, oversight processes in which the public accounts committees currently play a leading role. To do this, it is necessary to ensure that the public accounts committee and the portfolio committees have complementary roles. These roles should emphasise the

current division of labour between the committees, as well as their different strengths. While each legislature will need to arrive at a division of labour between its committees that suits its particular objectives and circumstances, it is imperative that the different committees analysed hereunder fulfil their roles in the oversight of annual reports, to ensure accountability.

Standing Committee on Public Accounts

The Guideline for Legislative Oversight through Annual Reports (2005:13-14) stipulates that the Public Accounts Committee must fulfil its very important and specialised role of "protector of the public purse". To give effect to this role, the committee has to consider the annual reports to effect accountability by focusing on:

- issues raised in the General Report of the Auditor-General on audit outcomes.
- issues of financial probity, as highlighted in the audit report or disclosed in the management report or in notes to the financial statements, or that come to the committee's attention in any other way.
- compliance with the PFMA and associated Treasury Regulations, the audit committee and the accounting officer in his or her management report in the annual report, taking into account matters that the Auditor-General may have reported on in this regard.
- the interrogation and evaluation of instances of over expenditure (relative to appropriations), and other instances

of unauthorised expenditures and the authorisation or non-authorisation of these expenditures for purposes of drawing up the Finance Bill, or initiating processes to recover the funds.

- the interrogation of instances relating to irregular and fruitless and wasteful expenditure.
- the functioning of risk management systems, including fraud prevention, financial management systems, personnel management systems (e.g. leave management and disciplinary processes) and other transversal systems in government. The Auditor-General reports on many of these issues in his general reports. It is also the task of the audit committees to report on the state of these systems.
- supply chain management and procurement, particularly large tenders, large capital projects and public-private partnership deals.
- the disposal of significant state assets and any major financial or related losses suffered by government.
- corporate governance of departments, public entities and constitutional institutions.
- the consolidated financial statements of government and the National Treasury's adherence to its deficit targets.

Parliament's Brochure on Committees of Parliament (2011:2) asserts that the National Assembly Standing Committee on Public Accounts acts as Parliament's watchdog over the way taxpayers' money is spent by the Executive. Every year, the

Auditor-General tables reports on the accounts and financial management of the various government departments and state institutions. Heads of government departments and institutions are regularly called by this Committee to report on, and account for, expenditure. The Committee can recommend that the National Assembly take corrective actions, if necessary.

Portfolio Committees

Parliament's Brochure on Committees of Parliament (2011:1) states that the National Assembly appoint, from among its members, a number of portfolio committees to shadow the work of the various national government departments. The portfolio committees are ideally placed to exercise oversight of the service delivery performance of departments and public entities that fall within the same portfolios. Indeed, portfolio committees' role in overseeing annual reports is crucial to closing the accountability loop of planning, budgeting, implementation, reporting, auditing and, finally, oversight. In essence, the portfolio committees should exercise oversight as to whether departments, public entities and constitutional institutions have delivered on the service delivery promises that they made in their strategic plans, and which the legislature agreed to finance by appropriating public funds through the Budget (The Guideline for Legislative Oversight through Annual Reports, 2005:14).

Although the portfolio committees will focus primarily on service delivery, they

must also consider the financial performance of entities. This is to ensure that the portfolio committee develops a holistic understanding of the department or public entity's performance in the exercise of its oversight responsibility. The mandate of the portfolio committees is to allow them to consider any issue that relates to the service delivery performance of entities, including financial issues. It is more than likely that, in carrying out their oversight functions, portfolio committees will deal with issues that fall within the ambit of the Public Accounts Committee's mandate, as described above. It should be clearly understood that the views of the portfolio committees on these issues serve as inputs into the oversight processes of the Public Accounts Committee; hence, the need to build links between the committees for the consideration of annual reports.

The Oversight and Accountability Model (2009:21) states that parliamentary committees have various tools of oversight, which are departmental briefing sessions, annual and departmental budget analyses, calls for submissions and petitions from the public, the consideration of strategic plans and annual reports, and public hearings. Parliamentary committees' business generally runs parallel to government's political cycle, unless there are specific *ad hoc* oversight functions that are required. In programming their oversight activities, they would, thus, act in a responsive/reactive manner. A committee conducts its business on behalf of the House and must, therefore, report back to the House

on matters that have been referred to it for consideration and reporting. When a committee reports its recommendations to the House for formal consideration, and the House adopts the committee report, it gives recommendations with the force of a formal House resolution pursuant to its constitutional function of conducting oversight. The House then also monitors executive compliance with these recommendations.

Once a report has been adopted by the House, the Speaker communicates the recommendations of the House to the relevant minister and copies in the relevant House Chairperson, Portfolio Committee Chairperson and Director-General. The Speaker will request the minister to direct his or her responses to the Speaker for formal tabling. The Secretary to Parliament communicates with the Director-General in the Presidency on all resolutions, thus, reflecting openness and accountability.

In this regard, Siswana (2007:229) indicates that to improve governance, financial accountability is crucial, because taxpayers, or the public, are eager to determine the amount spent from the public purse. In most cases, the information is revealed through departmental annual reports or formal briefing to a relevant portfolio committee in Parliament or other legislature. In this context, expenditure trends within a department are explicitly explained, and financial reporting and information are normally done and captured with a standard form of accounting.

AUDIT COMMITTEES AS AN ACCOUNTABILITY INSTRUMENT

The Guide for Accounting Officers (2000:32-34) states that an effective audit committee can assist management in discharging its accountability responsibilities to safeguard assets, operate adequate systems and controls, and prepare annual financial statements. In principle, an audit committee should be advisory and not executive, and will probably only meet quarterly. The committee should not perform any management functions or assume any managerial responsibilities, as this would prejudice objectivity. To ensure good governance, the audit committee must consist of at least three people (three to five is the norm in the private sector). One of the members must be from outside the public service, and the chairperson may not be employed by the department. Similarly, departmental staff members may not be in the majority, and political office bearers may not be appointed to the committee.

An audit committee is expected to fulfil a proactive role; hence, those appointed as members must have enquiring minds, a sound understanding of the complexities involved and an appreciation of the department's activities. Common sense and objectivity are essential criteria, and the committee should have a mix of skills and experience, and at least one member should have the necessary financial and auditing expertise to advise the committee in the execution of its duties and responsibilities. Members should rotate on a regular

basis to ensure a mix of experience and new members.

ANALYSIS OF THE GENERAL REPORT ON THE NATIONAL AUDIT OUTCOMES 2013-2014

In the General Report on the National Audit Outcomes (2013/2014), the Auditor-General (AG) announced that there was a steady improvement in the 2013/2014 audit outcomes of national and provincial government departments and public entities (auditees). The three areas that the office of the AG audits annually are: the fair presentation and the absence of material misstatements in the financial statements; useful and credible performance information for purposes of reporting on predetermined performance objectives; and compliance with key legislation governing financial matters. The AG's report covers the audit outcomes of all national and provincial departments and entities with the total budgeted expenditure for departments being R1 trillion for the financial year under review (2013-14). The expenditure was made up of R256 billion for employment costs, R103 billion for goods and services, R29 billion for capital expenditure and R438 billion for transfer payments. The number of auditees with clean audit opinions improved by 25 percent, with the highest contributors to be Gauteng and the Western Cape Provincial Governments.

Regressions in the number of auditees with clean audit opinions were noted at both national and provincial auditees, and it

seems that these regressions were due to slippages in controls. However, the presence of strong financial accounting capabilities is evident, although a concern still exists on the stability of these disciplines, as evidenced by material corrections to financial statements that are processed during the audit. With reference to financial statements, 80 percent of the financial statements received have a financially unqualified audit opinion, but, most importantly, 37 percent received such an opinion only because they corrected all the misstatements that were identified during the audit. If these corrections had not been made, only 43 percent of the auditees, instead of the current 80 percent, would have received an unqualified audit opinion.

With reference to the quality of annual performance reports, it is stated that there is an improvement, as 62 percent of auditees now report on their performance in a useful and reliable manner. However, only 42 percent of auditees submitted annual performance reports without material misstatements. This means that 20 percent of the auditees had good outcomes only because they corrected the misstatements that were identified during the audit.

Non-compliance with key legislation remains at high levels, with 72 percent of auditees not complying with key legislation relating to financial management. It is mentioned that if auditees improve the key controls, that prevent material misstatements in submitted financial statements and non-compliance with supply chain management legislation, these outcomes will improve.

Irregular expenditure continues to be of particular concern. This is expenditure that was not made in the manner as prescribed by legislation. Such expenditure does not necessarily mean that money was wasted or that fraud was committed, but is an indicator that legislation is not being adhered to, including legislation aimed at ensuring that procurement processes are competitive and fair.

This is an indicator of a breakdown in controls at some auditees. In the financial year under review, this totalled R62.7 billion, of which R29.1 billion (47 percent) was as a result of prior year irregularities identified this year, especially by the Property Management Trading Entity. Almost 85 percent of the overall budgeted expenditure of departments is still managed in environments where there was a failure to attain a clean audit opinion, and the AG reported that it requires decisive steps to be taken, as it is within these environments that there is a concentration of irregular, unauthorised, and fruitless and wasteful expenditure. The AG points out that there is a need for accounting officers and their teams to elevate their focus on the basic disciplines of financial and performance management. The importance of strong oversight work has been highlighted, whereby, the consistent application of appropriate consequences is of importance when there are instances of poor performance or transgression. It is evident from the AG report that government leadership must take actions, which include responding through plans and well-coordinated initiatives to the recommendations, in order to improve key controls and address the six risk areas:

1. The quality of submitted financial statements.
2. The quality of submitted performance reports.
3. Supply chain management.
4. Financial health.
5. Information technology controls.
6. Human resource management.

CONCLUSION

Parliament holds the Executive to account. The Parliamentary portfolio committees are currently largely organised according to the existing government ministries, and Parliament would need to ensure that this does not lead to a political oversight approach that is confined to departmental boundaries. With Parliament having released, in 2009, a comprehensive set of proposals to enhance its oversight and accountability model, this is the right time to also look at strengthening intergovernmental and interdepartmental oversight work. This is particularly important, considering that Parliament's role in holding the Executive to account has been in the spotlight in recent months. Issues that have been raised include the availability of ministers to appear before committees of Parliament, and the responsibility of ministers to respond to Parliamentary questions (The State of the Public Service Report, 2010:49-55).

As in the State of the Public Service Report (2010:49-55), a critical aspect of accountability that would need greater attention, as government continues to pursue integration and coordination, is that of budgeting and

financial management. Given that heads of departments, as accounting officers, will still be held accountable for the effective use of the resources allocated to them (even if they use these to finance cross-cutting programmes), it will be important for departments to up their financial management capacity and controls. It is, therefore, a cause for concern that many departments still receive qualified audit opinions from the Auditor-General.

The impartiality of such reports may then be questioned. If the criterion for good governance is the separation of powers and the activism of civil society, then what is clearly needed is for such reports, first, to be presented to the legislature and opened for

public scrutiny. Although the PFMA process enforces transparency and accountability, there are still shortcomings in determining whether the appropriations by departments and state entities indeed address national priorities and provide value for money outputs. In the first instance, the technical nature of the plans can bring confusion in understanding the plan, and on the other hand, the costing procedure is not clearly visible or available. While the mechanisms are in place, such as the planning and reporting process to Parliament and parliamentary committees, the technical competency of such institutions, to fully appreciate the manner in which public funds are managed, needs to be enhanced to ensure good governance.

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