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Ensuring transparency and accountability in
Public Finance Management

THE ROLE OF AN ACCOUNTANT IN ENSURING ACCOUNTABILITY AND TRANSPARENCY IN PFM

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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An Accountant

- An individual who:
 - has studied and is practicing in the Accounting field;
and
 - Upholds the values and ethics of the Accountancy Profession

Relationship with executive authorities

- To ensure that the budget preparation is in line with the strategic direction of the entity
- To ensure that the budget is shared with relevant stakeholders within the public sector
- To ensure that budget is executed for intended purposes
- To record all the financial transactions and provide meaningful financial reports
- To develop the internal controls

Reporting for accountability

- Providing feedback to the stakeholders about the use of public funds against their intended use
- To report periodically on the financial performance, the liquidity and the solvency of the entity
- The financial reports should be integrated to include the impact of the entity's operations on the business and natural environments
- To exhibit if entities' activities remain within their jurisdiction as stipulated by the legal framework
- To provide evidence whether assets have been put to proper use

Basic principles for ethical conduct

- Integrity:
 - Honest and reliable on corporate relationships
- Objectivity:
 - Ensure that decisions made are free from bias and there is no conflict of interest
- Confidentiality:
 - Ability to preserve secrecy and avoid using information for personal use

Basic principles for ethical conduct (Cont)

- Professional Competence:
 - Compliance with laws and standards
- Professional Behaviour:
 - Relevance and ability to exhibit competence and skill

Challenges of Ethical behaviour

- Political Bias:
 - Occurs where Accountants become associated with a political position
- Familiarity :
 - Long term relationship with the individual
- Self interest:
 - Vested interest in an outcome over which an individual has influence or control to some extent

Challenges of Ethical behaviour (Cont)

- Advocacy:
 - To become attached to a situation so much that the promotion exceeds the facts of the case
- Intimidation
 - Where pressure is exerted by someone senior to achieve a particular outcome
- Lack of segregation:
 - Where there are no checks and balances

Scrutiny and quality assurance

- To submit the financial reports to the Auditor General for scrutiny
- To disclose additional information, as may be required, to enable the Auditor to form an opinion on the financial reports provided
- To advise management on how to address the issues raised and gaps identified by the Auditors

Lesotho's efforts to enhance accountability & transparency

- Establishment of a Reform Program that is supported by the development partners
- Professionalization of the Accounting Cadre
- Compliance of the PFMA 2011 where consolidation of the annual accounts is concerned since 2015/16 financial reports
- Upgrade of the IFMIS version
- Establishment of the Cash Management Unit

THANK YOU



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