

# Public Sector: Accounting and Finance

Presenters: Caryn Maitland CA(SA)  
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## **Session 2: Governance and ethics in the public sector**

Understanding the concepts of governance and ethics and how they are practically applicable to the functions of the public sector

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# Caryn Maitland

Caryn is a qualified CA(SA and RA, who has lectured extensively at UKZN (and other institutes) where she lectured Advanced Financial Accounting up until 2011 as well as co-ordinating the module on the Pietermaritzburg campus and was appointed Section Head of Financial Accounting and Deputy Head of the School of Accounting (managing the Pietermaritzburg campus) prior to leaving UKZN.

She has conducted independent workshops and seminars for professional accountants since 2006 on various topics and has consulted on a number of technical issues. Since January 2011, she has focused on her own business as technical freelance consultant and trainer to those working within the accounting profession. Caryn is a technical advisor to the SAICA Eastern Region Midlands District, Northern District and Southern District Associations, as well as the Small Practice Interest Group in Durban – specialising in financial reporting (IFRS, IFRS for SME's and general accounting), assurance, legislation and ethics. Caryn has a passion for Corporate Governance, which together with her Companies Act specialism and Financial Management for Non Financial Management lecturing background, has served her well in consulting and advising various Boards of Directors in recent years.

Caryn is also a platform presenter for various institutes as well as many small to medium accounting practices across the country and into Southern Africa. Maitland was appointed as a visiting Associate Professor to the University of Limpopo tasked with mentoring their Financial Accounting staff (Aug 2011 to Dec 2013).

Maitland's passion is IFRS and IFRS for SME's and was delighted at the opportunity granted in 2013 to serve on the APC subcommittee constituted to investigate the need for Micro GAAP and the role of IFRS for SME's for small and medium sized practitioners. Caryn, also serves on the Joint Accountants, Auditors and Attorneys Committee of SAICA, and is part of the School Governing Body project initiated by SAICA in KwaZulu-Natal, and has been appointed as an alternative member to the APC in June 2020

Caryn was elected as the first woman Chairperson for the Midlands District Association for SAICA in 2018 and also serves on the Eastern Region SMP Committee as well as the Local Subvention Committee for SAICA. In 2019 Caryn was appointed to the SAICA Eastern Region Council. As someone who is committed to environmental affairs, Caryn serves as a non-executive director for the Institute of Natural Resources, a Non Profit Company focusing on research. Since 2018 Caryn has worked extensively with commerce and industry, assisting analysts, directors and other users of financials to interpret, prepare, analyse and forecast based on the results of financial statements.



# Bronwyn MacCallum

Bronwyn qualified as a CA(SA) in 2004 and has spent time in private practice as a partner and later director of small and medium firms as well as a tenure at the Auditor-General of South Africa as a Senior Manager and SAICA Training Officer. Her current professional focus is on the design, implementation and monitoring of systems of quality control in the auditing profession for firms and for engagements.

Bronwyn has also spent many years lecturing Auditing, IFRS and Public Financial Management at undergraduate, post-graduate and professional levels, both face to face and in the design and implementation of blended and on-line learning platforms. Bronwyn has played active roles at both SAICA and IRBA in board sub-committees related to professional practical training and development, and in various public sector governance structures and audit committees.

Bronwyn has significant experience in auditing in the public sector in South Africa, in audit committee and financial misconduct governance structures and speaking and presenting to political oversight structures. Bronwyn has also had extensive experience in the authoring and quality assurance processes of professional learning content for public finance management and related disciplines in government for the English speaking African countries. Topics include accounting and auditing in the public sector, public sector context, public financial management, financial management, economics, performance management, ICT and communications.

The content and training materials prepared and delivered have catered to both qualified accounting professionals working in the public sector, as well as to long-serving public servants who have not been formally trained in PFM, accounting and finance in the public sector.



# Course Outline

# Session Objectives

- Understand the concept of governance and the difference between governance and government
- Identify the governance structures and understand the role these structures play in the public sector
- Have a basic understanding of the public sector requirements of the King IV Report on Corporate Governance
- Understand the concept of ethics
- Understand the objectives of codes of ethics in the public sector
- Understand the process for responding to ethical dilemmas

# Programme

- What is government
- What is governance
- Governance structures
- Governance principles
- Legal and regulatory requirements
- Best practice
- King IV
- Governance as a daily commitment
- The concept of ethics
- Ethics and public service
- Navigating ethical dilemmas
- Recap
- Questions

# What is government

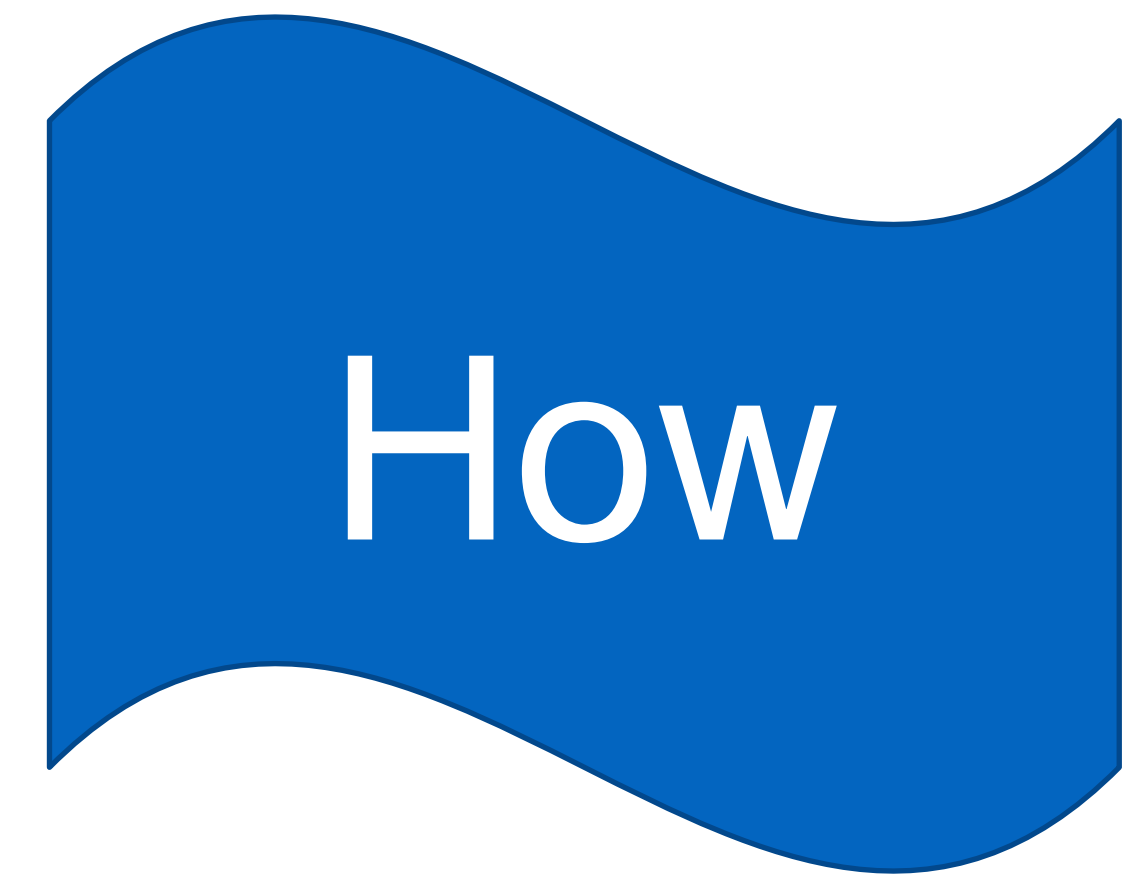
- Legislated mandate
- To govern – to plan service delivery in terms of the constitution, and to structure and allocate the resources and activities of the government to deliver services to the public in accordance with the laws and regulations of the country
- Accountable to the governance structures



What

# What is governance

- Structures and processes to ensure:
  - accountability,
  - transparency,
  - responsiveness,
  - rule of law
  - stability
  - equity
  - inclusiveness
  - empowerment
  - broad-based participation
- norms, values and rules
- the culture and institutional environment in which citizens and stakeholders interact among themselves and participate in public affairs.



# Governance structures

## **National and provincial**

National Parliament  
Portfolio committees  
SCOPA, SCOAG  
National Treasury  
Audit and risk committees  
Internal audit

Provincial Legislature  
Portfolio committees  
SCOPA  
Audit and risk committees  
Provincial Treasury  
Internal audit

## **Local**

Municipal Council  
Portfolio committees  
Audit and risk committees  
Internal audit  
COGTA  
Provincial and National Treasuries

# Governance principles

## Acting in the public interest requires...

**A**

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

**B**

Ensuring openness and comprehensive stakeholder engagement.

## Good governance in the public sector also requires effective arrangements for...

**C**

Defining outcomes in terms of sustainable economic, social, and environmental benefits.

**D**

Determining the interventions necessary to optimise the achievement of the intended outcomes.

**E**

Developing the entity's capacity, including the capability of its leadership and the individuals within it.

**F**

Managing risks and performance through robust internal control and strong public financial management.

**G**

Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

## International Framework for Good Governance

Published in 2014 by the International Federation of Accountants (IFAC) and the Chartered Institute of Public Finance and Accountancy (CIPFA)

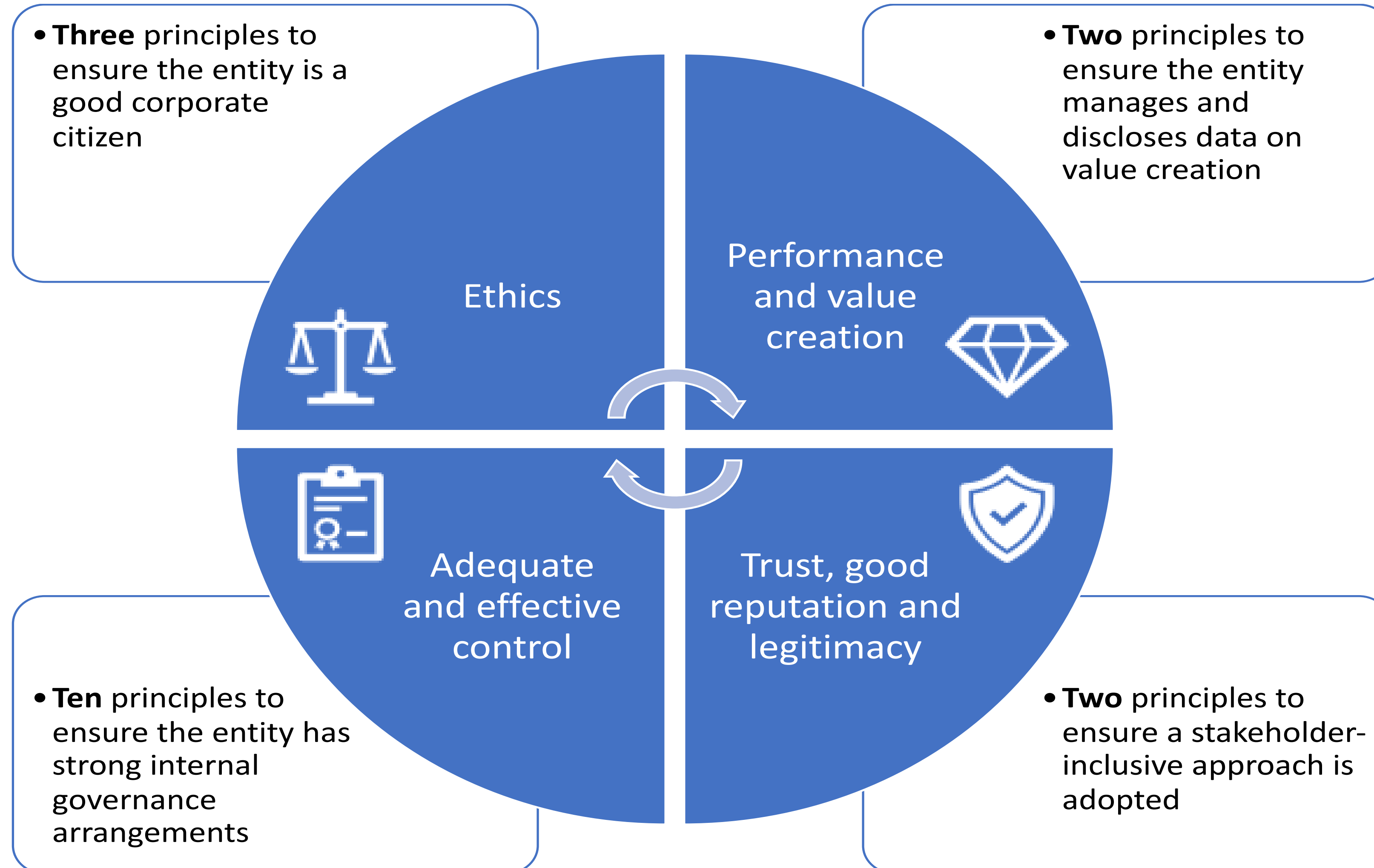
# Legal and regulatory requirements

- PFMA
- MFMA
- Rules of Parliament / Council
- Laws and regulations (eg Financial Misconduct)
- Guidelines (NT/PT)
- Frameworks
- Charters

# Best practices

- King IV (South Africa)
- Accountability.Now
- AFROSAI-E
- PEFA (Public Expenditure and Financial Accountability (PEFA) program)
- OECD
- World Bank
- International Monetary Fund

# King IV



# Governance as a daily commitment

What enables good governance?

- . Competence
- . Due care
- . Compliance with internal controls
- . Compliance with reporting requirements
- . Timely actions
- . Ethical compliance
- . Ethical decision-making

# The concept of ethics

## **Definition**

- the discipline dealing with what is good and bad and with moral duty and obligation

Primarily it is the individual, the consumer, the employee or the human social unit of the society who benefits from ethics.

## **Benefits of ethics**

- Satisfying basic human needs
- Creating credibility
- Uniting people and leadership
- Improving decision making
- Long term gains
- Securing the society

# Ethics and Public Service

- Grounded in the constitution
- Public Administration (Chpt 10)
  - democratic values and principles
    - (a) A high standard of **professional ethics** must be promoted and maintained.
    - (b) **Efficient, economic and effective use of resources** must be promoted.
    - (c) Public administration must be **development-oriented**.
    - (d) Services must be provided **impartially, fairly, equitably and without bias**.
    - (e) People's **needs must be responded to**, and the public must be encouraged to **participate** in policy-making

# Ethics and Public Service

- Public Administration
  - democratic values and principles
    - (f) Public administration must be **accountable**.
    - (g) **Transparency** must be fostered by providing the public with **timely, accessible and accurate information**.
    - (h) Good **human-resource management** and career-development practices, to maximise human potential, must be cultivated.
    - (i) Public administration must be broadly **representative** of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

# Ethics and Public Service

- Public Service Commission
  - Code of Conduct for Public Servants
    1. Relationship with the Legislature and the Executive
    2. Relationship with the Public
    3. Relationship among Employees
    4. Performance of Duties
    5. Personal Conduct and Private Interests

# Ethics and Public Service

**Example:** In the performance of their duties, an employee:

- strives to achieve the objectives of his or her institution **cost-effectively and in the public's interest**;
- is **creative in thought and in the execution** of his or her duties, seeks innovative ways to solve problems and enhances effectiveness and efficiency **within the context of the law**;
- is **punctual** in the execution of his or her duties;
- executes his or her duties in a **professional and competent manner**;
- does **not** engage in any transaction or action that is in **conflict with or infringes on the execution of his or her official duties**;
- will **recuse** himself or herself **from** any official action or **decision-making process** which may result in **improper personal gain**, and this should be properly declared by the employee;
- accepts the responsibility to avail himself or herself of **ongoing training and self-development** throughout his or her career;
- is **honest and accountable in dealing with public funds** and uses the Public services property and other resources **effectively, efficiently, and only for authorised official purposes**;
- **promotes sound, efficient, effective, transparent and accountable administration**;
- in the course of his or her official duties, **shall report to the appropriate authorities, fraud, corruption, nepotism, mal-administration** and any other act which constitutes an offence, or which is prejudicial to the public interest;
- **gives honest and impartial advice**, based on all available relevant information, to higher authority when asked for assistance of this kind; and
- **honours the confidentiality of matters**, documents and discussions, classified or implied as being confidential or secret.

# Navigating ethical dilemmas

1. Establish the facts of the situation
2. Decide whether the situation contains legal or ethical issues
3. Identify your options and possible consequences
4. Evaluate your options
5. Choose the best option
6. Implement your decision

# Recap

- . Government
- . Governance
- . Sources of governance requirements
  - . Laws and regulations
  - . Best practices
- . Ethics and benefits
  - . The Constitution
  - . The PSC
  - . Navigating ethical dilemmas

# Q&A

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[technicalquestions@accountingacademy.co.za](mailto:technicalquestions@accountingacademy.co.za)

**Thank you for your  
participation**