

*1st Issue, 2009*

# SADCOPAC

Southern Africa Development Community Organization of Public Accounts Committees

## *Newsletter*

A newsletter of Southern Africa Development Community Organisation of Public Accounts Committees



### ***What is Inside:***

- **Africa's Executive Too Powerful for Parliaments**
- **SADCOPAC Members to Standardize Practices**
- **Zambia New SADCOPAC Chair**

**And Many Other Articles....**



## **BACKGROUND INFORMATION**

The Southern Africa Development Community Organization of Public Accounts Committees (SADCOPAC) is an association of the Public Accounts Committees from SADC member states. It was launched in October 2003 at the Wanderers Hotel in Johannesburg in South Africa. The launch was attended by eleven (11) member states of SADC countries namely Botswana, Lesotho, Malawi, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. An interim Constitution was adopted at the launch and the Association of Public Accounts Committees (APAC) of South Africa was appointed as the Secretariat.

SADCOPAC is an autonomous and independent organization established as a permanent institution in order to foster the exchange of ideas and experience among Public Accounts Committees (PACs) on the oversight function within the member countries. Participation in SADCOPAC activities is open to the Public Accounts Committees outside the SADC countries as affiliate members.

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Hon. Louis Chimango fifth from left with members of the Government Council of SADCOPAC.

# Africa's Executive Too Powerful for Parliaments?

*Asks Hon. Chimango, Speaker of the National Assembly of Malawi*

**T**he Parliaments in Africa are not effective in executing their duties as they should be because of the pressure from executive arms of government.

Honourable Loius Chimango, Speaker of the National Assembly of Malawi said in a speech at the official opening of the fifth Annual General Meeting of the Southern Africa Development Community Organisation of Public Accounts Committees (SADCOPAC) at Sunbird Capital Hotel in Lilongwe, Malawi.

Mr. Chimango said during the Annual Conference of members of the Public Accounts Committees of Parliaments in the SADC region noting that African Parliaments are slowly losing grip with what they were initially set up for.

Mr. Chimango said that it is sad to note though, that research has established that parliaments in Africa, particularly those in our region are not as effective as they should be, the executive exerts more authority and has proved to be more powerful than the other two arms

of government, namely the Judiciary and Parliament itself.

According to Chimango, it is important for parliamentarians to discuss issues of transparency and accountability which are some of the tenets of good governance and observance of law and participation.

The speech was delivered during the opening of the 5th Southern Africa Development Community Organisation of Public Accounts Committees (SADCOPAC) Annual Conference in Lilongwe, Malawi.

According to the Speaker, research shows that parliaments in the region and Africa as a whole are not as powerful as those in other continents when it comes to their oversight functions.

Mr. Chimango stated that time has come for PACs in the region to be effective if the public they represent are to come out of poverty.

“Africa remains a poor continent and

it is imperative for PACs to ensure that the little resources that the nations have are utilised to benefit the people,” he said.

The Malawian Speaker also pointed out that the theme for the conference which is ‘Making Governments Accountable to the People through Public Accounts Committees’ is appropriate as it sets the tone for good governance, accountability, transparency and integrity.

The Malawi PAC Chairman Aleke Banda said the conference was a worthwhile interaction as it facilitated sharing of knowledge and good practices amongst PACs.

Mr. Banda urged PACs to enhance accountability in the region so as to foster development. He said PACs everywhere have a significant role to play and as such need to be supported.

According to Banda, the conference was historic as it was the first time to be held together with the training of

members and was hopeful that the training accorded to members would go a long way in making their individual PACs more effective.

The meeting, which started on August 31st to September 6th, 2008 discussed among other topics the challenges faced by the committees, the role of the committees in ensuring integrity, accountability and efficiency of public finance management.

Banda reminded delegates of the crucial role that these committees play in a democracy and that it is important for parliamentarians to discuss issues of transparency and accountability. He added, transparency and accountability are tenets of good governance and in no way lesser than the observance of the rule of law and popular participation.

Malawi became the fourth country to host the annual conference of



*Hon. A. Banda, PAC Chair of Malawi.*

the Southern Africa Development Community Organisation of Public

Accounts Committees (SADCOPAC) after Tanzania, Namibia and Mozambique.

During the meeting in Malawi, four papers were presented on; The Role of the PAC in ensuring integrity, accountability, transparency and improving efficiency of public finance management as a basis for socio-economic development; Legislative scrutiny of the Auditor General's Report as a means of ensuring effective utilization of public resources; The Role of the Auditor General in the work of the Public Accounts Committee in holding Government accountable and Challenges faced in implementing best practices and ensuring his/her independence and The Challenges of Public Accounts Committees in carrying out their oversight functions including the paradox posed by the principle of subjudice.

## SADCOPAC Members to Standardize Practices

**T**he SADCPOAC member states have resolved to standardize practices among the member countries during the Annual General Meeting and Conference and Members' training which was hosted by Malawi at Sunbird Capital Hotel in Lilongwe, Malawi.

The meeting saw eight SADCOPAC member states of Botswana, Lesotho, Malawi, Namibia, South Africa, Swaziland, Tanzania and Zambia presenting four papers on Parliamentary and Auditor General's perspective in the SADC member countries.

Among the topics discussed during the conference include, The Role of the Public Accounts Committee in ensuring integrity, accountability, transparency and improving efficiency of public finance management as a basis of sustainable socio-economic development in which South Africa presented the Parliamentary perspective

while Zambia presented the Auditor General's perspective.

According to the SADCOPAC Secretariat, the topic on Legislative Scrutiny of the Auditor General's Report as a means of ensuring effective utilization of public resources was presented by Namibia and Swaziland in which the former presented Parliamentary views while the later presented the AG views.

The other papers which were presented by Lesotho and Tanzania is The Role of the Auditor General in the Work of the Public Accounts Committee in holding Government accountable and challenges faced in implementing best practices and ensuring his or her independence.

The Challenges of Public Accounts Committees in carrying out its oversight functions including the paradox posed by the principle of subjudice

which were on Botswana and Malawi Parliamentary and Auditor General's perspective and attracted interest of many delegates was presented by PAC Chairperson, Honourable Aleleke Banda.

In its Annual Conference last year in Lilongwe, Malawi, the member state countries also resolved to carry out a research to develop a best practices manual for the operations of PACs and produce it in March 2009 in which its first draft document need to be distributed to member states for comments by May 2009 and the consolidated report for adoption by the next AGM meeting in Zambia.

Another resolution was that, the member states of SADC should ensure the implementation of the Lima and Mexico declarations which advocate the term of office for Auditor General not to be less than five years,

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## SADCOPAC to Standardize Practices

From Page 3

protection of the Auditor General by legal framework, audit of the Auditor General's office by an independent body and the oversight mechanism over the office of the Auditor General.

Further more, the Auditors General should have the discretion to determine the scope of the audit, financial independence, staff members not to be civil servants, enactment of independent audit Acts, access to information without restriction and appointment of the Auditor General by the President subject to approval by Parliament should also be taken into consideration.

The report also calls for clear separation of powers among the three arms of the government and that the Parliament should enjoy administrative and financial autonomy with well defined calendar of Parliament sessions. Member states should also have in place legislation that should compel the executive to respond to the recommendations of AGs PACs.

The Annual Conference which took into consideration five resolutions also noted that each member state to have a legal framework to support the PAC and AG. In addition to the legislation, Parliament should also develop procedures that will enhance the oversight function of the PAC by way of providing adequate financial and human resources, strengthening the relationship with the AG, enhancing research facilities and defining the timeframe to scrutinize audit reports tabled in the House.

The resolution also calls for all offices of SADC Auditors General to have in place their own code of conduct and come up with strategies that will enhance the capacity of the PACs such as empowering them to engage external experts to assist in scrutinizing audit reports.

# Zambia to Host SADCOPAC AGM 2009

Zambia has been chosen to be the next host of the Southern Africa Development Community Organisation of Public Accounts Committee (SADCOPAC) Annual General Meeting and Conference in 2009.

This will be the 6th, Annual conference in the series.

The first conference of the SADCOPAC which is a group of the Public Accounts Committees of all Parliaments belonging to the SADC member states was hosted by Tanzania in Bagamoyo from 26th to 30th, June 2004.

The second of such conference was again hosted by Tanzania in Zanzibar from 9th to 12th May 2005 while the third and fourth conferences were hosted by Namibia from 13th to 17th August 2006 and Mozambique from 27th to 31st May 2007 respectively. The fifth annual general meeting and conference in year 2008 was hosted by Malawi in Lilongwe from 30th August to 6th, September 2008, which was held together with the members' training.

The decision to form the SADCOPAC was made in May 2002 at the exploratory meeting which was held in Kimberly, South Africa by members from some SADC countries. The organization was officially launched in October 2003 in Johannesburg, South Africa.

During the previous five conferences members of the SADCOPAC discussed various topics ranging from making Government accountable to the people through Public Accounts Committee to improving efficiency of public finance management as a basis for sustainable socio-economic development.



The conference in Malawi shared experiences of several member countries on various topics, and noted some major observations including the principle of separation of powers which is not adhered to by many SADC countries.

Lack of political will by the Executive to implement the recommendations of the Public Accounts Committees and Auditors General (AG) lack of independence in terms of appointments, financial and control over human resources were among the observations noted.

Further, the framework for most countries in the SADC require the Auditors General to present their reports to Parliament through the Executive which compromise the independence of their work.

The other shortfall which were noted by the meeting was the lack of adequate capacity and resources by PACs to effectively carry out their work and some Parliaments do not allocate time to debate and adopt PAC reports-consequently, rendering the committee's work ineffective.

The election of Zambia to chair the Southern Africa Development Community Organization of Public Accounts Committees (SADCOPAC), is one of the highlights of the 5th Annual General Conference held in Lilongwe, Malawi.

SADCOPAC is a grouping of the Public Accounts Committees of all Parliaments in the Southern African Development Community (SADC) member countries whose vision, is to optimize the contribution of its member PACs towards the uplifting of the living standards of the people in the region.

SADCOPAC consist of potential 14 member states, however, up to August 2006 only nine states had committed themselves as full members. These are Botswana, Malawi, Zambia, Mozambique, South Africa, Lesotho, Namibia, Swaziland and Tanzania.

Other SADC member countries include Madagascar, Angola, DRC, Mauritius and Zimbabwe.

During the elections, the post of the Vice Chair went to Malawi while Tanzania won the post of the Secretary General. Tanzania is also hosting the SADCOPAC Secretariat in the National Audit Office in Dar es Salaam.

The Lilongwe elections were held in line with Article 15(1) of the SADCOPAC Constitution, which provides for a three year of the newly elected office bearers. The term of office for the new office bearers ends in the year 2011.

SADCOPAC was established to promote mutual sharing of knowledge and experiences, act as the recognized voice of Public Accounts Committees and similar Committees within the SADC countries. It was also set up



*Former Chairperson of SADCOPAC Hon. Lorraine Mashiane*

## Zambia New SADCOPAC Chair

- **Malawi - Vice Chairperson**
- **Tanzania -Secretary General**

to promote accountability, good governance and transparency in the SADC member states.

Other major issues discussed in the Lilongwe meeting includes the adoption of the SADCOPAC audited financial statements as audited by the Auditor General of Namibia in line

with the decision of the Annual General Meeting held in Mozambique in 2007. The meeting also adopted the 2008/09 proposed budget for the SADCOPAC. Namibia for the second time was assigned to audit the SADCOPAC's books of accounts for the 2008/09 fiscal year.



*From left: Hon. Johan de Waal (Namibia), Hon Charles Milupi (Zambia) Hon Aleke Banda (Malawi) Hon. Maria V. Videira (Mozambique), Hon. John Cheyo (Tanzania), Hon. Mike Seloane (South Africa) with officials from respective parliaments and SADCOPAC Secretariat*

# SADC Members urged to Lima and Mexico Declarations

**S**ADC member states must implement the Lima (1996) and Mexico (2007) declarations, which advocate for among others protection of the Auditor General by legal framework.

This is one of the resolutions adopted by conference delegates to the 5th SADCOPAC Annual Conference held in Lilongwe, Malawi.

The legal framework in most SADC countries that require the Auditor General to present their reports to Parliament through the Executive, they said compromise the independence of their work.

Similarly, conference delegates noted the fact that the principle of separation of powers is not adhered to by many of SADC countries. Apart from lack of independence in terms of appointment, financial, and human resources, they further noted, there is lack of political will by the Executive to implement recommendations of Auditors General and Public Accounts Committees.

Conference delegates also noted the lack of capacity and resources by PACs to effectively carry out their oversight functions, but also failure by parliaments to allocate enough time to debate and

adopt PAC reports, thus rendering them ineffective.

The Lima and Mexico declarations advocates for the following:

- Terms of office for the Auditor General not be less than five years
- Protection of Auditor General by legal framework
- Audit of the Auditor General's Office by an independent body
- Oversight mechanism over the office by Auditor General
- Discretion to determine the scope of Audit
- Financial independence
- Staff members not to be civil servants
- Enactment of independent Audit Acts
- Access to information without restriction
- Appointment of the Auditor General by the President subject to approval by Parliament

Another important resolution adopted in the Lilongwe conference calls for all offices of SADC Auditors General to have in place their own code of conduct.

The conference recommended for clear separation of powers amongst the three arms of Government and that Parliament should enjoy administrative and financial autonomy with well defined calendar of Parliamentary sessions. Member states

should also have in place legislation that should compel the Executive to respond to the recommendations of the AG and PACs.

Likewise, each member state should have a legal framework to support PAC and the Auditor General. In addition to the legislation, Parliaments should also develop procedures that will enhance the oversight functions of the PAC by way of providing adequate financial and human resources.

Strengthening the relationship with the Auditors General, enhancing research facilities and defining the timeframe to scrutinize audit reports tabled in the House were also emphasized.

Aware of the need for standardization of practices amongst SADCOPAC member states, the conference resolved that the Governing Council through the Technical Working Group should carry out a research to develop a 'best practices' manual for operations of PACs and produce a report at the next conference.

Finally the conference resolved that SADCOPAC should come up with strategies that will enhance the capacity of the PACs such as empowering them to engage external experts to assist in scrutinizing audit reports.



Members of the Governing Council of SADCOPAC stands for National anthem of Malawi.

# The Oversight Role to Make Good Governance Achievable

*SADCOPAC member states believe that the Public Accounts Committee can ensure integrity, accountability, transparency and improving efficiency of public finance management which is a basis of sustainable socio-economic development.*

## South Africa presented Parliamentary perspective.

As part of fulfilling their Constitutional mandate, the Public Accounts Committees in SADC countries must continue to perform their oversight role effectively and draw attention to areas of concern.

This includes reinforcing the pillars that support socio-economic growth and development to ensure that the gains achieved are sustainable.

The oversight role would make good governance achievable through accountable institutions.

The standards against which government organisations are measured will help to determine the success of the development and infrastructure

projects on which poverty reduction depends.

According to the Association of Public Account Committee of South African (APAC) the challenges of oversight committee of the Parliament is to ensure that systems are implemented to improve accountability and organisational capacity.

The other challenges are to drive out corruption, providing a best practice model for sub-Saharan Africa to meet the challenges of poverty.

Transparency as a complementary element to accountability; it is also necessary in promoting good governance and through citizens is able to engage on the performance of the state.

Reporting mechanism such as the annual reports serve as a mechanism

for transparency and have evolved from reporting activities outputs which is the real measure of delivery on the ground.

Due to inadequate information, measuring outputs remains a challenge for South African Public Accounts Committee (PAC).

Parliament through the PAC serves as an important transparency-inducing mechanism and helps citizens to judge actual performance of the executive.

The executive is thus encouraged to make public other types of reports such as quarterly reports and Annual Citizens reports required by the White Paper on Transforming Public Service Delivery.

Parliamentary perspective on the role of the PAC in ensuring integrity, accountability, transparency and improving efficiency of public finance

management as a basis for sustainable socio-economic development in SADC countries.

According to the South African Country Report, the Constitution provides for Parliament to keep control over the laws that it passes and to promote the constitutional values of accountability and good governance.

Thus the oversight role of Parliament should be seen as one of the central tenets of South Africa's democracy because through it the legislature can ensure that the executive is carrying out its mandate and monitor the implementation of its legislative. The focus of the oversight and accountability by the democratic

government in South Africa was deepened after 2004 when the nationally uniformed sector specific budget structures were implemented.

In terms of this important budget reform, all budgets for departments within the same sector would be organised according to the same structures across national and all provincial governments.

The development sought to simplify budget structures and facilitate comparisons of performance data between provinces.

"Through these uniform budget structures, departments within the same sector could reflect on each other's

resource allocation and utilisation patterns, a process which would facilitate benchmarking and in the long run contribute to economy, efficiency and effectiveness," said the report.

In 2007, the National Standing Committee on PAC in South Africa considered 214 reports tabled in September 2006. In fulfilling their role of promoting access to information, the committee held 28 public hearings in 2007.

In total 299 reports were referred by the National Assembly to be considered by the committee in 2006.

***While South Africa presented Parliamentary perspective on The Role of the Public Accounts Committee in ensuring integrity, accountability, transparency and improving efficiency of public finance management as a basis of sustainable socio-economic development. Zambia presented the Auditor General's perspective***

## **Auditor General Calls for Embracing Of Performance Auditing**

The political leadership in Zambia has taken keen interest in fighting corruption and other ill vices so as to remove unnecessary overheads in the provision of the services.

Basing its work on historical incidences, the Office of Auditor General in Zambia plays a significant role in the work of Public Accounts Committee. Failure by the Office to retain qualified staff impinges on the effective operation of the PAC both in quality of the reports and their timely preparation.

According to Anna Chifungula, Auditor General of Zambia like many cases of public institutions, the Office of Auditors General does not have financial autonomy that would enable it carry out all its activities to fulfill its role.

On the overall, the Office of the



***Auditor General of Zambia,  
Ms Anna Chifungula***

Auditors General must be seen as an essential part of a country's system of integrity and as an efficient mechanism within its political and financial structure and to be effective they need the support of Parliament to carry out their investigations.

Furthermore, the performance of the PAC would also require focusing on the PAC leadership and recognizing the role that it plays in promoting accountability with the aim of building its capacity.

PACs needs a committed strong and skillfull chairperson who will contribute to its effectiveness.

There is a perceived delay between the time when irregularity has been committed and when the irregularities are brought to the attention of PAC through the Auditor General's report

have some negatives and would not help the prevention of possible embezzlement of public funds.

In Zambia, the performing of oversight role, the PAC diligently and conscientiously helps to bring about confidence in the governance process. "It is our perceived view that through this laborious exercise the PAC ensures accountability and transparency," said the Auditor General.

These two virtues are indispensable pillars of democratic governance that compel the state, private sector and civil society among others to focus on results, seek clear objectives, develop

effective strategies and monitor and report on performance.

Auditor General Ms. Anna Chifungula has observed that performance auditing plays a crucial role in good governance of any given society and should be given prominence.

Speaking at the fifth SADCOPAC annual conference in Malawi Ms. Chifungula said member states would do well to embrace performance auditing alongside their regularity audits.

Ms. Chifungula implored upon Parliamentarians to support the bill that will give the Auditor General mandate

to carry out performance audits and other audits when it is brought to Parliament.

She pointed out that although performance auditing was relatively new in the region, the concept goes a step further to assure Parliament and the public who are the tax payers, that there has been value for their money in the programmes undertaken by the executive.

The Auditor General however bemoaned the lack of a legal framework in the case of Zambia to empower her and her Office to carry out performance audits and other specialized kind of audits.

## Calling for Articles.

The SADCOPAC Newsletter is calling for articles. They should be brief (about 1,000 words), to the point and relevant. Members of PACs and Auditors General Offices are encouraged to contribute.

Articles should be send to  
The Editor,

SADCOPAC NEWSLETTER

SADCOPAC SECRETARIAT  
C/o National Audit Office,  
Audit House, Samora, Avenue  
P.O.Box 9080, Dar es Salaam, Tanzania.  
Tel: + 255 22 2115157-8  
Fax: + 255 22 2117527  
e-mail:secretariat@sadcopac.org  
Website: www.sadcopac.org



*Delegates take a health break.*

# Namibia Oversight Committee Short of Staff

*The topic on Legislative scrutiny of the Auditor General's Report as a means of ensuring effective utilization of public resources were presented by Namibia and Swaziland. Namibia presented Parliamentary views.*

**N**AMIBIA Public Accounts Committee like any other committee in the region is facing some constraints to effect its mandated work for good democratic process.

According to Honourable John C. de Vaal, Chairperson of the PAC, despite the good achievements the issue of staff turn over remains a serious problem because the level of remuneration is such that properly qualified personnel do not stay in the public services for so long.

De Vaal says that this situation negatively affects the progress and the activities of the committee in Namibia.

The committee is depending on the public service commission for recruitment of its secretariat and their level of remuneration.

The sitting time allocated to the committee to complete its work is also limited to two hours per week during parliamentary sessions.

"Most of our committee members are serving on three or more committees, making it difficult for them to attend all the committee's meetings and participates in all of its activities," says the Chairperson.

The issue of following up whether the committees recommendations were implemented by the different ministries has largely been neglected due to staff shortages.

Equally the committee is not in a position to hire independent consultants to provide quality expert advice and carry out research on crucial but complex issues of fraud and money laundering.

The Chairperson says that the other issue of concern is the limited information provided in annual reports of parastatals and other state owned enterprises.

With this in mind, the committee is actively pursuing the right to have insight in the management letter that is written by the external auditor to management highlighting problems that were picked up during the audit.

But in order to strengthen Parliamentary oversight committee on accounts, the government should develop effective measures to combat corruption in public institutions and to curb embezzlement of funds. PAC's must be supported by adequate professional and properly trained staff.

Institutional capacity building initiatives focusing on training for both members of PACs and their staff must continue.

According to Namibia PAC Chairperson, the value of regular contact between PACs and their staff of different countries must not be underestimated.

SADCOPAC must continue with its work for it is the only organisation that has the capacity to lead the African PAC to a uniform high standard oversight in the SADC region in particular.

But despite the challenges that Namibia PAC faces, there are some success which have been achieved over the years including the reduction on the number of reports qualified by the Auditor General.

Many of the central government reports tabled in 2008 have registered considerable reductions on issues of concern raised in comparison to a few years back, a trend that significantly reduced the time spend on reviewing each report.

As a result the committee will now be able to scrutinise reports of State Owned Enterprises and other statutory institutions.

The Namibia committee, according

to the Chairperson of the PAC has observed that there is a growing acceptance and recognition of the work and activities of the committee by the executive branch of the government from Ministers to its senior officials.

Many of the committee's recommendations were accepted and adopted by the National Assembly with limited

objections.

Many accounting officers are responding positively to the committee's invitations to appear before it and they are providing detailed responses to the satisfaction of the committee members.

In Namibia like in any other country member of SADCOPAC, the Auditor

General tables the reports in the National Assembly through the minister responsible for finance because the Auditor General does not sit in Parliament.

The reports tabled stand automatically referred to the standing Committee on Public Accounts.

***On the topic on Legislative scrutiny of the Auditor General's Report as a means of ensuring effective utilization of public resources Swaziland presented Auditor General's perspective and says .....***

## **The Auditor General and the House of Assembly Safeguard Government Accountability**

**T**here are a number of principles of corporate governance applicable in the business environment which are transparency, openness, integrity and accountability.

But in the Kingdom of Swaziland like in any country which is a member of SADCOPAC, the bodies that safeguard

any government accountability are the Office of the Auditor General and the House of Assembly.

In the Kingdom of Swaziland, the Auditor General compliments the accountability relationship which exists between government, its ministries and departments, the agencies, the House of Assembly.

According to Africa Hadebe, Auditor General of Swaziland, the Auditor General brings an independent audit process to the manner in which these conferred responsibilities are discharged in the public sector and reports directly to the House of Assembly on the results of the audits.

Hadebe says that the House of Assembly in turn grants the Auditor General a whole of government mandate, covering organisations as diverse as government departments and agencies.

"In this way, the House of Assembly is assured of receiving the Auditor General's conclusions and recommendations for the entire government entity," he says.

Therefore the mandate of the Auditor General should be enshrined in both the legislation and the Constitution of any country in order to protect his independence.

While it is the duty of the Auditor General to be accountable to the public, it is also the duty of the Government to be accountable to the House of



*Swazi delegation at one of the SADCOPAC conferences in recent years. (File photo)*

*Cont on Page 12*

Assembly.

It is up to the Government to draft budgets and spending estimates, government cannot collect or spend tax payer's money without the approval of the House of Assembly.

After the Government spends the money entrusted to it, there is an obligation to report back to the House of Assembly on how the money was used.

As the Government body in this accountability relationship, the House of Assembly is responsible for overseeing the activities of Government and holding the Government accountable for its handling of public money.

To assist the process, the Government should provide information about how it has used its public funds entrusted to it through the Public Accounts Committee which examine and report to the House on the accounts of the Government tabled before the House of Assembly.

## The Auditor General and the Parliament Safeguard Accountability

In the Kingdom of Swaziland, like in any other SADC member states, the Auditor General submit reports to the Minister of Finance who cause those reports to be laid before both Chambers of Parliament.

The Swaziland PAC which contains twelve members from the House of Assembly scrutinise the accounting and financial matters rose by the Auditor General for further investigation.

The Committee has a duty to questions Accounting Officers of the various Government ministries and other institutions audited by the Auditor General whom it deemed necessary to call before the committee on the basis of comments on findings made by the Auditor General in the reports and particularly any criticism which may have to offer.

"That is how the Government is held accountable to the people through Public Accounts Committee," says the report.

In the Kingdom of Swaziland, the PAC is mandated by the Parliament standing orders to fine accounting officers US\$55 or four hundred Emalangenani if the officer contravenes Parliament resolutions.

Apart from imposing fines to Accounting Officers, but both the Constitution and Audit Act mandate that the Auditor General in the exercise of the powers of his Office, be independent and not be subject to the direction or control of any person or authority.

In other words the Auditor General carries out his mandatory duties without any interference in that way assists the PAC to make the Government accountable.

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## Malawi Public Accounts Committee faces inadequate funding

**D**espite remarkable achievements by the Malawi Public Accounts Committee (PAC), a financial oversight of the parliament, is facing lack of adequate funding to operate its activities.

The committee also don't have calendar in executing its duties while the reports prepared by the Auditor General is not being debated in the house.

Hon. Aleke Banda, Chairperson of the Malawi Public Accounts Committee of Parliament says that the challenges faced by the committee in carrying out its oversight functions include the paradox posed by the principle of

subjudice.

Banda said that the House and Committees are restricted to debate on issues which are imposed by the 'Sub-Judice Rule'

According to Hon. Banda, the rule on Sub judice has been one of most contentious rules of procedure and practice in the Malawi Parliament as it impedes the parliamentary privilege of the Members to deliberate on any matter before them without any hindrance.

"This rule, in Malawi, has been recognised by the Courts in the case of The State and the Speaker of the

National Assembly, and All Members of Parliament, ex parte Titus Divala where it was concluded that the National Assembly could not be allowed to debate the question of Section 65 vis-a-vis the injunction obtained by Hon. Yunus Mussa, MP because the question of the injunction was still before the Courts," he said.

The other case is the one involving the former Secretary to the Treasury in which the National Assembly was restrained by the courts from discussing the matter on the alleged mismanagement of public funds of the Government Special Client Account by the former Secretary to Treasury because the matter was before the



*Malawi delegation at the SADCOPAC 2007 Annual General Meeting in Mozambique.*

court of law.

Common law defines sub judice as under or before a judge or Court, or under judicial consideration or indeed undetermined; implying that a particular case or matter is currently under trial or being considered by a judge or court.

The main purpose of the sub judice rule is to ensure that the decisions of the courts are not impeded or prejudiced by advanced publicity, but are taken entirely on the evidence presented to those courts. In England and Wales it is a criminal offence leading to contempt of court to publicly discuss a case under consideration of a court.

The rule on sub judice is hinged on the principle of separation of powers and this principle envisages a situation where the three arms operate without interfering into each other's roles thus debates in parliament should not presume to come to a conclusion on a matter which the courts are considering

The Committee, despite facing many challenges, continues to perform its oversight function within the confines of the law in the interest of Malawians.

Since the Malawi Parliament is currently undergoing the reforms process, it is the hope of the Committee that the reforms agenda will bring in the rules that would enhance the efficiency and effectiveness of not only the PAC but even all other parliamentary committees.

Its role in making government accountable to the people of Malawi cannot be overemphasized.

The committee despite facing the many challenges continues to perform its oversight function within the confines of the law in the interests of Malawians.

But of late the Malawi PAC has recorded a remarkable achievements in its audit performance and operations including an unearthing of the education scam in which some senior government officials and ministers misused fund that could have been used for education.

On its part, the government implemented some of the committee's recommendations including sending to court one of the MPs who was involved in the scandal.

But in the performing of its duties, the Malawi PAC is facing some challenges in providing its oversight function including lack of adequate funding, lack of parliamentary calendar let alone committee calendar, committee dealing with old issues in the Auditor General's report and the committee not being able to submit reports to the House as required by the law.

The committee's reports are also not being debated while the executive does not respect the committee's recommendations despite being adopted by the House.

According to Honourable Aleke Banda, Chairperson of the Malawi PAC despite the committee having power to call for any information or documents relevant to its work and summon any person to appear before it, but the committee is restricted to debate on issues, which are imposed by the Sub-Judice Rule.

This rule in Malawi has been recognised by the Courts in which the National Assembly and Members of Parliament are not allowed to debate issues pending at the Courts of Law.

# Tanzania Calls for Improving Oversight Committees

The Southern African Development Community (SADC) Auditors General are calling for improvement on the impact of oversight committees through public hearings and publishing their reports and findings.

According to the Tanzania National Audit Office (NAO) Parliament as a whole is responsible for the financial and non financial oversight function and the right to exercise power by the Parliament is crucial in bringing about success in pursuing the utilization of public resources.

The office said that the committees need to be provided with advice, expertise and liaison officers who can convey issues raised in the Auditors General's reports while mandating its oversight committees with clear and detailed terms of reference.

The government need on its part to ensure that the Office of the Controller and Auditor General has adequate resources to fulfill its mandates while continue to respond quickly and publicly to the Controller and Auditor General's recommendations.

The oversight bodies such the Parliamentary Accounts Committees (PAC) need to see to it that the principles of good governance and accountability are observed.

In its presentation to the fifth Southern Africa Development Community Organisation for Public Accounts Committee (SADCOPAC), the Office said that accountability and performance issues are the major challenges in an environment of limited resources.

The Parliament oversight committee should be ready and willing to seek new knowledge and exposure in executing their very demanding responsibilities.

"It is therefore imperative that the



*The Oversight Committees of the Tanzanian Parliament work closely with the National Audit Office. In the picture the Controller and Auditor General Mr Utouh (centre) with the Chairman of PAC Hon John Cheyo (right) and Hon Zitto Kabwe at the launch of the CAGs report for 2007.*

oversight organs like PAC ensure that these resources are utilized to the maximum for the benefit of all tax payers and to the people as a whole," said the office.

The framework of the effective Parliamentary scrutiny must take into account two important issues, first the establishment of specific oversight mechanisms to effectively hold the Executive to account for its activities.

The other issue is the need for a bipartisan approach in Parliament when overseeing Executive activities which will assist the capacity of the Legislature to fulfill its oversight function.

The oversight mechanism chosen by respective Parliament must seek to address the inter-play of inalienable rights of the governing party to be able and be seen to govern while at the same time the members of the opposition parties must be able to ventilate, criticize and put across alternative positions and policies within the modus

operand of the set mechanisms.

The broad scheme of financial management and control is generally spelt out in the respective constitution and Acts of Parliament. Generally select committees of Parliament undertake a detailed examination of the budget estimates, accounts and audit reports and make recommendations for appropriate action by the executive.

"Thus although the executive takes the policy implementation initiatives on financial matters, it is accountable to the Parliament," said the Office of the Controller and Auditor General.

In a democratic society it is essential that as part of the checks and balances mechanism, an effective separation of power must exist between the legislature, the executive branches of the Government without ignoring the third pillar or governance-the judiciary.

The power to make laws for the collection of revenue from taxpayers

and also for the expenditure of these funds on behalf of tax payers is vested in the Parliament.

The power to implement the requirement of these laws however is delegated to the Executive branch of the government which must then be held publicly accountable to the Parliament

and the people for the manner in which the appointed accounting officers handle the tax payers monies.

But the National Audit Office of Tanzania (NAOT) like the other offices of the Auditors General in SADC faces some challenges in executing its duties including the current procedure

among the members of SADCOPAC in which the Auditor General's reports are submitted to executives who are in fact the subject of the audit does not enhance transparency and best practices according to the International Organisation of the Supreme Audit Institutions (INTOSAI).



*Delegates at a pre-nary session during the SADCOPAC Annual General Meeting in Malawi.*

## PAC and the Executive work well together in Botswana

**T**HERE exists a generally good relation between Public Accounts Committee (PAC), the Executive and Accounting officers resulting to transparency in Botswana.

In a bid to further improved relations, the PAC usually does not have any problem in summoning anyone to come and account.

In Botswana permanent secretaries as administrative heads of ministries are warrant holders for the funds approved by the National Assembly under the Appropriation Act passed by Parliament before conclusion of each year.

According to the paper, Making

governments accountable to the people through PAC, Botswana Public Accounts Committee is a sessional driving its mandate from Section 95 subsection three of the Parliament Standing Orders which gives powers to PAC to examine accounts after the end of each financial year.

The country has adopted a Westminster system of Government, which entrust the executive with the control of government resources.

The Parliament therefore for the purposes of oversight and ensures that the citizen's right to know and have control on how public funds are collected and spent and carried out by elected Members of Parliament.

"If the Parliament is unable to exercise its oversight powers effectively, there may be mismanagement of these public resources," said the representative from Botswana.

The PAC assisted by the Accountant General and Auditor General play an important role in ensuring accountability in the public sector and in the oversight function.

In Botswana, the accounts and statements are prepared and signed by the Accountant General in accordance with provisions of Finance and Audit Act but the report of the Auditor General on the accounts specified is reported to the National Assembly.

# Lesotho PAC faces belated audit account

**T**he Lesotho National Assembly Public Account Committee (PAC) like any other committee in the SADC country is one of the oversight of the financial discipline that oversee and comment about the Auditor General's report.

But the committee is suffering from some serious problems including belated audited account.

The accounts suffer from the fact that one time in the 1970's proper books of accounts were not kept and the opening balance was lost.

According to report by the Lesotho National Assembly, among the problem that the committee faces include tabling of the Auditor General's report one and half years after it submitted to the PAC.

The paper on the Role of the

Auditor General in the Work of the Public Accounts Committee in holding government accountable: Challenges faced in implementing best practices and ensuring independence-Parliamentary perspective said that the Auditor General is facing a some problem in performing her duties.

The Office of the Auditor General in Lesotho is established by the Constitution as an office in the Public Service, but not as part of the civil service in order to carry out audits of government's financial statements prepared by the Accountant General and of statutory bodies.

The Auditor General is also constitutionally required to act independently and free from direction by any authority while at the same time reports to Parliament by submitting the

reports to the Minister of Finance who in turn tables such reports within 7 days.

But the most critical issue faced by the Auditor General is the appointment in which the King with the concurrence of the Prime Minister appoints the Auditor General who remains in the office until retirement or under the terms of contract.

The paper said that in rectifying the problem, the PAC need a certain level of national consensus necessary to resolve common national problems, including the development of the economy.

The committee need a financial break with the past and a new start and capacitation of the Treasury.



*SADCOPAC has general meeting every year. The photo shows delegates at the 2007 meeting that was held in Mozambique. In its Annual Conference last year in Lilongwe, Malawi, the member state countries resolved among other things to carry out a research to develop a best practices manual for the operations of PACs.*

# ZAMBIA PAC role in scrutinising audit reports for public funds

The Zambia Parliament plays an important role in scrutinising the performance of the executive and other public bodies.

The Zambia legislative scrutinise the Auditor General's report as a means of ensuring effective utilisation of public resources.

The Parliament Public Accounts Committee (PAC) on the other hand is mandated through the National Assembly standing orders to examine the accounts showing the appropriation of sums granted by the National Assembly to meet public expenditure, the reports of the Auditor General on the accounts and such other accounts.

In this case the PAC can summon controlling officers and any other witnesses to assist in the scrutiny.

When consideration of submission is complete, the PAC prepares a report which contains their observations and recommendations which then is tabled in the House and if adopted is forwarded to the executive for action.

According to the paper, Legislative Scrutiny of the Auditor General's report as a means of ensuring effective utilisation of public resources, the executive is required to react to the observations and recommendations within 60 days after adoption of the PAC report.

On a yearly basis, the Public Accounts Committee (PAC) of the Parliament does scrutinise Treasury minutes in order to determine whether the executive is implementing its recommendations.

Where they are not satisfied the PAC does summon the controlling officers to explain their position with respect to their recommendations.

In Zambia, the strengthening of



*Delegates at the conference, all ears.*

parliamentary scrutiny lies in the fact that there is a reporting system in place through which irregularities in the utilisation of public resources are exposed through audit reports and offices involved are publicly requested to explain through Parliament.

But on the other hand, the Zambia Auditor General also plays an important role in inputting to the programme of work to the PAC after auditing the accounts relating to the general revenues of the republic and the expenditure of moneys appropriated by the National Assembly.

In this case the independence of the Auditor General in the Zambia context has to be looked at from two angles of autonomy in performing duties and financial autonomy.

In Zambia however, the Auditor General is a permanent witness of the PAC in providing audit briefs and technical advice to the committee while implementing best auditing practice to the committee.

But according to the paper, the challenges of the Public Accounts Committee in carrying out its oversight function including the paradox posed by the principle subjudice, the Zambia PAC faces several challenges in

performing its duties.

The paper says that financial limitations affect the verification, of some of the issues particularly those involved travelling internationally.

Time given to the committee is also short that the age of queries in which the current audit issues are in actual fact two years old that makes it difficult to take corrective action as a number of events could have taken place rendering the action ineffective.

Lack of appreciation of the audit process is also reflected by the inability of controlling officers to discipline erring officers leading to a situation whereby many officers continue not to retire imprest, misappropriate and misapply funds and delayed banking of government revenue.

Inadequate funding to the office of the Auditor General and the failure to retain staff due to poor conditions of service also has a negative effect on the work of the PAC.

The National Assembly of Zambia has adopted a practice of never to deliberate on matters that are before the courts of law make difficulties of the PAC In promoting accountability in the use of public resources.

# RWANDA committed to strengthening accountability and transparency

**R**WANDA is committed to strengthening accountability and transparency in its government not just as a technical matter but also as a basic freedom and human rights.

For a country like Rwanda bringing government to account and ensuring good governance is not an easy task which requires a great deal of political will which the country is currently blessed.

It also requires supportive legal environment and greater cooperation between the government on the one hand and Parliament on the other.

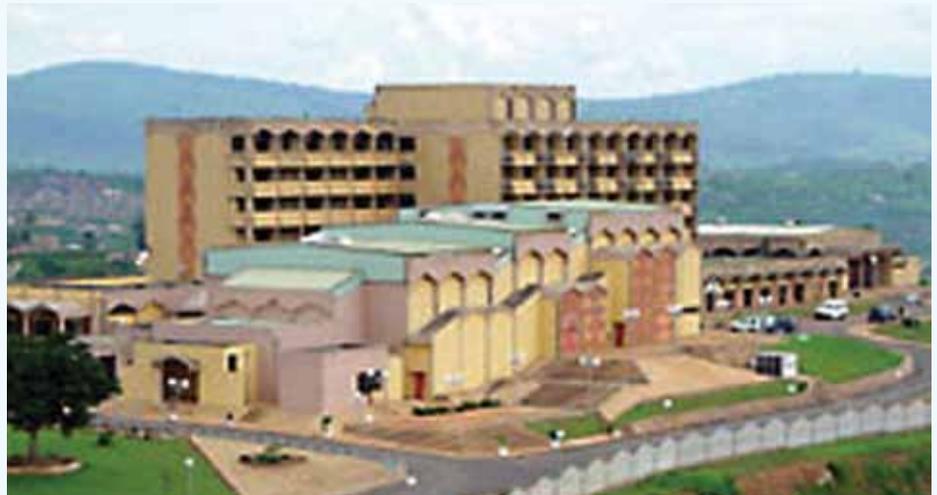
For accountability and transparency to occur, a strong, independent and well-resourced Office of the Auditor General is very important success factor.

Judicial institutions to effectively deal with offenders are another important player in which the Auditor General audits the departments of the executive and presents the reports to the Parliament for scrutiny and action.

According to Dr. Joseph Karemera, Senator of Rwanda Parliament, the Parliament is empowered in its oversight and accountability functions over the Government by the Constitution of the Republic.

Dr. Karemera says that the activities of the Public Accounts Committee (PAC) in Rwanda are presently carried out by the Standing Committee on Budget in the Lower Chamber and by Standing Committee on the Economy and Finance in the Senate and other committees.

The PAC exercise the oversight in scrutinising on behalf of the Parliament and then report to Parliament its findings on the Annual Report of the Auditor General on the accounts of the Republic for the financial year ending



*The Building of the Parliament of Rwanda.*

31st, December of every year.

The Financial Oversight Committee also deal with all matters regarding transparency and financial accountability of the Government on the use of the funds appropriated to it by Parliament based on the Auditor General's annual audit reports and other reports Auditor General makes on request of the Parliament.

According to Dr. Karemera, the Parliament on its side carry out investigations where there are signs of misappropriations of resources and other conduct that is likely to lead to loss of Government resources.

In Rwanda, the Parliament often employs private firms or universities to carry out research in suspicious areas for lack of enough capable staff.

However a nine man research team has now been established in each chamber to assist each chamber to carry out effective research in which its investigation can also be based on public outcry or on the reports of Ombudsman who also give the annual reports to the Parliament.

After hearing of the reports from the minister if the PAC is not satisfied, the minister is normally given one more

chance after which a commission of inquiry is instituted to establish whether the minister is to be impeached or not.

In Rwanda, a minister has a political responsibility and cannot pretend not to know what is happening in a ministry he/she leads.

But there is also a relationship between the Auditor General (AG) and the Parliament in which nobody is allowed to interfere in the functioning of the office or to give instructions to its personnel or cause them to change their methods of work.

However, the Parliament may instruct the Office of the Auditor General to carry out financial audit of any institution of the state or with regard to the use of funds provided by the state.

The Office of the Auditor General gives its annual audit reports and other audits reports to each chamber of the Parliament and gives copies of the reports to the President of the Republic, Cabinet, President of the Supreme court and the Prosecutor General.

The annual report is given to a joint sitting both chambers in presence of the public and media in which later on the relevant committees scrutinise the report and reports to each chamber.

The Rwanda experience shows that the institutions and public officials to which the report is addressed are eligible by law to implement recommendations by taking corrective measures in respect of the irregularities and other shortcomings disclosed by the report and failure to do this is a violation of the Constitution and Parliament takes appropriate action.

In the event of fragrant mismanagement Chamber of Deputies may begin impeachment process of the minister concerned. Prosecutors normally deal with accounting officers who misappropriate public funds.

The ultimate objective of PAC in Rwanda Parliament is to use financial accountability as a tool to improve

public management and make public sector deliver on its commitments.

The other objectives, according to Rwanda experience is to achieve the desired results and leverage change to modernise public sector and overall economic management while at the same time facilitates change of attitude by public sector workers to see themselves as facilitators and partners in national development.

The oversight ensures that particular attention is paid on risk mitigation to reduce revenue leakages and waste while promoting and inculcate ethical management practices, insist on accurate and timely, financial and management reports and promote continuous improvements.

According to the presentation on, Making Government Accountable to the People through PAC, there are success factors that make Rwanda PAC work effectively in enabling legal environment and existence of criminal punishment to offenders.

In Rwanda the Office of the Auditor General seeks to enforce the principle of good governance. The Public Accounts Committee is one of the tools that the OAG will use to realise all its mandates.

The PAC will help enhance better use of the AG's annual reports for efficient control of public expenditure in all state institutions, adding that this would minimise cases of corruption and abuse of office.

## The Association of PACs of South Africa Register Formal Qualification

One of the strategic goals of the Association of Public Accounts Committees of South Africa (APAC), is to be responsive to the needs of its membership. One way in which this is done is through various capacity building initiatives. APAC has taken this further by starting to develop a formal qualification for its members.

Development of a formal work-related qualification has been a dream of APAC for a long time. APAC believes that the availability of an accredited qualification for its members will go a long way to empowering those charged with the responsibility of holding the executive accountable for their management of public resources.

The development of an accredited qualification has reached a key milestone. In the Government Gazette of 5 December 2008, a proposed SAQA accredited qualification, namely, "National Certificate in Public Financial Oversight and Accountability" was

published for public comment. The qualification will be registered at National Qualification Framework (NGF) Level 6 and was open for public comment until 5 January 2009.

The following are some of the core unit standards that will be offered;

- Utilising processes within the oversight environment to promote effective corporate governance
- Conducting oversight hearings
- Discharging oversight responsibilities by using financial tools and instruments to effect accountability in the public sector
- Demonstrating understanding of financial and accounting principles for public entities
- Utilising reports as an oversight tool
- Strengthening and implementing sustainable public sector ethical practices

The purpose and rationale of this qualification is to provide members with a training standard that will

ultimately enable them to more effectively discharge their oversight duties.

Qualifying learners will therefore, have an in-depth understanding of what is expected of serving on a Public Accounts Committee and have practical skills necessary to prioritise, select and apply methodologies or strategies related to the relevant context or situation, manage the gathering of information, interrogate the information compiled and formulate and direct questions during a hearing and make informed decisions and recommendations to the respective committees and the legislatures.

This qualification is therefore intended to meet the specific needs of the sector, that is, legislators at national, provincial and local level.

APAC is proud to have had The Auditor-General South Africa in their side to realize this initiative.

# Resolutions of the fifth Annual Conference of the Southern Africa Development Community Organisation of Public Accounts Committees (SADCOPAC) at Lilongwe in Malawi.

At the 5th SADCOPAC Annual conference held in Malawi from 30th August to 5th September 2008 at Sunbird Capital Hotel in Lilongwe the following resolutions were adopted:

## NOTING

- That the SADCOPAC was established to promote mutual sharing of knowledge and experiences, act as the recognized voice of Public Accounts Committees and similar Committees within the SADC countries and promote accountability, good governance and transparency in the SADC states;
- That respective country experiences in as far as PACs and similar Committees functions are concerned, indicate varying degrees of challenges facing SADCOPAC members;
- That there is a need for standardization of practices amongst SADCOPAC member states;

## IT IS RESOLVED THAT:

1. The Governing Council through the Technical Working Group carry out a research to develop a "best practices" manual for the operations of PACs and produce a report by March, 2009. The draft document be distributed to member states for comments by May 2009 and the consolidated report for adoption by the next AGM.

2. That member states of SADC should ensure implementation of the Lima (1996) and Mexico (2007) declarations which advocate for the following with regard to the Office of Auditor General:

- Term of office for Auditor General not to be less than 5 years;
- Protection of Auditor General by legal framework;
- Audit of the Auditor General's Office by an independent body;
- Oversight mechanism over the office of the Auditor General;
- Discretion to determine the scope of Audit;
- Financial independence;
- Staff members not to be civil servants;
- Enactment of independent Audit Acts;
- Access to information without restriction;
- Appointment of the Auditor General by the President subject to approval by Parliament.

3. That all offices of SADC Auditors General should have in place their own code of conduct.

4. That there should be a clear separation of powers amongst the three (3) arms of Government and that Parliament should enjoy administrative and financial autonomy with well defined calendar of Parliamentary sessions. Member states should have in place legislation that should compel the executive to respond to the recommendations of PACs.

5. Each member state should have a legal framework to support the PAC and Auditor General. In addition to the legislation, Parliaments should also develop procedures that will enhance the oversight function of the PAC by way of:-

- providing adequate financial and human resources;
- strengthening the relationship with the Auditors General;
- Enhancing research facilities;
- defining the timeframe to scrutinize audit reports tabled in the House.

6. SADCOPAC should come up with strategies that will enhance the capacity of the PACs such as empowering them to engage external experts to assist in scrutinizing audit reports.

**Mover:** Lesotho

**Seconder:** Botswana

*Friday 5th September, 2008*

## **The Aims and Objectives of SADCOPAC are to:**

- Work with governments and other relevant role players in meeting the people's expectations of sound and accountable governance
- Build capacity and expertise among SADCOPAC members to diligently and efficiently carry out their oversight functions and duties;
- Improve the effectiveness of Public Accounts Committees or similar committees in the SADC region;
- Share best practices and innovation, and, where appropriate and possible, harmonize and standardize the work of Public Accounts Committees in the SADC region;
- Promote good governance;
- Conduct research and introduce new best practices and innovations to improve and enhance the effectiveness of Public Accounts Committees in the SADC region;
- Communicate and build relationships with individuals and organizations with relevant expertise (nationally and internationally);
- Empower members to disseminate information on the work and activities of Public Accounts Committees among elected representatives, the media and general public, as well as oversight or similar committees;
- Liaise with the African Organization of Supreme Audit Institutions (AFROSAI) on areas of mutual concern; and
- Strengthen relationships with appropriate SADC structures.



SADCOPAC SECRETARIAT  
C/o National Audit Office,  
Audit House, Samora, Avenue  
P.O.Box 9080, Dar es Salaam, Tanzania.

Tel: + 255 22 2115157-8

Fax: + 255 22 2117527

e-mail: [secretariat@sadcopac.org](mailto:secretariat@sadcopac.org)

Website: [www.sadcopac.org](http://www.sadcopac.org)