

CONSEQUENCES OF CAPACITY CHALLENGES

- The PSC has found that capacity challenges in the Public Service impacts on a number of critical areas of public administration which the PSC through its research has identified, namely:
 - Financial management being compromised
 - Service delivery being negatively affected
 - Inadequate public consultation and participation
 - A continued undermining of the integrity system of the Public Service
 - A continued increase in the number of cases of financial misconduct
- Some examples of the consequences of the challenges mentioned is accordingly highlighted.

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- **FINANCIAL MANAGEMENT**
 - The number of qualified audit opinions for national departments increased from 7 departments in 2004/05 to 12 in 2006/07.
 - Although the number of qualified opinions decreased in provincial departments from 64 in 2005/06 to 51 in 2006/07, the rate of decrease is still not good enough and confirms that too many departments are not meeting the required standards.
 - Some departments have been receiving qualified audit opinions for at least the last 4 years in a row
 - Efforts to improve financial management capacity should be intensified. This becomes even more critical in light of support to be given to local government.

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• PUBLIC CONSULTATION AND PARTICIPATION

- The capacity to meet the needs of the citizenry in a responsive manner and involving the public in policy making is critical for the stability of our democracy is sporadic and rudimentary.
- As a result, in 2002 the PSC piloted the concept of Citizen Forums and developed a Step-by-step Guide to holding Citizens Forums.
- The PSC has found that departments need to build capacity to monitor the effectiveness of their systems for public participation.

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• SERVICE DELIVERY

- Since 2002 the PSC has gone directly to citizens with the purpose of surveying their needs and expectations regarding service delivery.
- These surveys has provided some useful insight into what citizens regard as the successes and challenges facing departments in providing certain services.
- A lack of project management skills is evidenced in the management of poverty reduction programmes and projects.
- Although these programmes have largely been allocating funds to the neediest sections in the country, the impact of some of them has still been limited, especially amongst the ultra poor.

CONSEQUENCES OF CAPACITY CHALLENGES

• PROFESSIONAL ETHICS

- A study by the DPSA to determine the extent to which departments have complied with the minimum anti-corruption capacity requirements set by Cabinet, amongst others, points to the following*:

Area	% Departments
Minimum capacity in terms of anti-corruption work	67%
Whistle-blowing policy	44%
Whistle-blowing mechanism	60%
Training on fraud prevention, Code of Conduct and ethics	57%
Verify information provided by prospective employees	55%
Have capacity to investigate corruption	71%
Information System that records allegations	59%
Information System that provide feedback	49%

* 93 (68%) out of 140 departments responded to the survey

CONSEQUENCES OF CAPACITY CHALLENGES

• PROFESSIONAL ETHICS

- The PSC's research has shown that there is a lack of capacity to investigate allegations of corruption. It therefore compromises the effectiveness of the NACH as well as government's overall anti-corruption drive.
- The PSC subsequently developed a NACH Toolkit to improve the rate of investigations.
- Research into the implementation of fraud prevention plans in the Public Service indicated that 67% of departments identified a variety of capacity challenges that hampered the performance of internal audit.
- There has been a significant increase in the number of financial misconduct cases reported to the PSC for the 2006/2007 financial year in comparison to the previous financial years.
- Unless a culture of professional ethics is promoted through active training at all levels in the Public Service, the required level of integrity may not be achieved.

CONCLUSION

- Through this presentation the PSC has but highlighted a few of the consequences of capacity challenges for the Public Service.
- In order to ensure that such consequences are not exacerbated, greater emphasis on effective procurement and development of human resources is required.



THANK YOU!



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National Anti-Corruption Hotline for the Public Service: 0800 701 701