

## Eastern Cape Department of Education

# Accountability to Oversight Report

2006/07

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### Key Findings and Recommendations

#### **Finding**

The Department received an adverse audit opinion from the Auditor-General for the year under review. The Auditor-General found that the information provided by the Department was either inadequate or misleading. The Department also conceded that it could not verify the reliability of the information during the audit due to time constraints.

#### **Recommendation**

The Department's strategic plans should clearly assign responsibilities to the Department's senior management to ensure appropriate delegation of duties and accountability for functions and departmental operations. The Accounting Officer and all senior staff must sign performance agreements and undergo performance appraisals to ensure that accountability measures are in place and corrective action taken where performance is inadequate. Such measures will assist in tracking and addressing performance and will promote the retention and maintenance of departmental records which are required by senior management to effectively oversee the functioning of the Department while also acting as a vital resource for the Auditor-General during their yearly audit.

#### **Finding**

Both the Auditor-General and the Portfolio Committee found that the Department did not have an effective asset management mechanism in place. As a result records were inadequate. This complicated and restricted the work of the oversight bodies.

**Recommendation**

Staff capacity issues must be addressed at provincial, district and school level, to ensure that the lines of accountability are strengthened. This will also help improve the Department's asset management. The Portfolio Committee should consider calling those officials responsible for the failures within asset management to appear before the Committee to account for such failings and to thereafter ensure that corrective action is taken by the Accounting Officer to address what has been a recurrent problem affecting the Department.

**Finding**

Inconsistencies were found in the Department's reporting against the objectives contained in the Annual Performance Plan. Progress made in meeting some of the objectives stated in the Annual Performance Plan were not reported in the Annual Report.

**Recommendation**

The Department must explain to the Portfolio Committee why such inconsistencies arose and what steps have and will be taken to address them. To ensure accountability, all the objectives stated in the Annual Performance Plan should be reflected upon in regard to the progress made in meeting them in the Annual Report. This will assist oversight bodies to evaluate the Department's performance and possibly suggest areas where the Department needs to improve its efficiency in meeting those objectives.

**Finding**

The 2006/07 Annual Report did not reflect on action taken to address the Auditor-General's queries as was assured in the Department's 2006/07-2008/09 strategic plans. The Department conceded that it could not deal with the Auditor-General's queries during the 2006/07 audit .This is a severe indictment on the Department's ability to address audit queries.

**Recommendation**

Given that the Auditor-General can only make recommendations, it is imperative and necessary for the Portfolio Committee, Accounting Officer and Chief Financial Officer to take corrective action and respond to audit queries and areas of concern raised by the Auditor-General. Such areas of emphasis and concern invariably require corrective action to be taken and should this not occur, the Accounting Officer and MEC are ultimately responsible and should face the consequences of inaction by departmental officials. .The Portfolio Committee also needs to proactively monitor the Department's in year performance to intervene timeously where areas of concern are raised.

## Introduction

Social accountability is defined by the PSAM as the obligation by those responsible for the management of public resources (including public officials and private service providers) to justify their performance in progressively realising socio-economic rights via the provision of effective public services. The South African Constitution commits government departments to the progressive realisation of socio-economic rights within available resources. These rights include access to public services such as education, healthcare, housing and social welfare.<sup>1</sup> In order to realise these rights, the PSAM maintains that effective accountability systems must be established and implemented by government departments. These systems include: planning and resource allocation; expenditure management; performance management; integrity; and, oversight. To evaluate the effectiveness of these systems, the PSAM has developed a set of evidence-based tools for monitoring the information produced annually by each system.

This Report evaluates the responsiveness of the department under review to the recommendations and resolutions of three key oversight bodies: the Auditor-General, the relevant standing committee and the Standing Committee on Public Accounts (SCOPA) during the 2006/07 financial year.

### 1. Report of the Auditor-General

[Auditor-General<sup>2</sup>]

**Table 1: Department of Education Auditor-General's Opinions, 2003/04 – 2006/07**

Financial Year	Audit Opinion
2003/04	Disclaimer
2004/05	Disclaimer
2005/06	Disclaimer
2006/07	Adverse

### Adverse Opinion

The Department of Education received an adverse audit opinion from Auditor-General for the 2006/07 financial year.<sup>3</sup> As noted by the MEC for Education, Johnny Makgato, the Department has received twelve consecutive audit disclaimers since 1995.<sup>4</sup> A disclaimer and an adverse opinion are the worst forms of audit opinion a Department can receive from the Auditor-General. The Department's continued

<sup>1</sup> Constitution of the Republic of South Africa, Act 108 of 1996, Chapter 2, Sections 26, 27 and 29.

<sup>2</sup> In South Africa, the provincial Auditor-General is responsible for auditing, on a test basis, the accounts, financial statements and financial management of all government departments. It is the responsibility of the Auditor-General to express an opinion on whether a department's financial statements are free of material misstatement, and whether a department adheres to relevant laws and regulations applicable to financial matters.

<sup>3</sup> Report of the Auditor-General to the Provincial Legislature of the Eastern Cape Province on the Annual Financial Statements of Vote 6- Department of Education for the year ended 31 March 2007, Department of Education, Annual Report, 20006/07, p.100. An adverse opinion is given when the effect of a disagreement with management regarding departures from the financial reporting framework is so material and pervasive to the financial statements that the auditor concluded that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.

<sup>4</sup> Eastern Cape Department of Education, Annual Report, 2006/07, p. 2. Foreword by MEC

failure to address financial management weaknesses and to adhere to accounting standards as prescribed by the Public Finance Management Act (PFMA), Treasury Regulations and the Division of Revenue Act (DORA) indicate a serious and ongoing absence of accountability on the part of the Department towards oversight bodies and the public at large.

The Auditor-General expresses a disclaimer of opinion when “*the possible effect of a limitation is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence to form an opinion and accordingly is unable to express an opinion on the financial statements*”.<sup>5</sup>

An adverse opinion, is expressed when “*the effect of a disagreement with management regarding departures from the financial reporting framework is so material and pervasive to the financial statements that the auditor concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements*”.<sup>6</sup>

The Auditor-General raised a number of issues and problem areas in the year under review where the Department’s reporting was found to have been insufficient. This had a direct impact on the Auditor-General’s work as he found some of the information (as will be indicated below) to be misleading.<sup>7</sup> It is important to note that some of these issues may appear to be new due to the fact that in the past the Department had failed to provide the required documentation during the audit thus making it impossible for the Auditor-General to express an audit opinion on them.

The following are areas where the Auditor-General found that the Department had not properly explained and justified the expenditure and the general maintenance of public resources during the year under review and thereby had failed to effectively account to the Auditor-General and the public:

### **1.1 Compensation of employees (together with employee benefits and key management personnel)**

The Auditor-General found that the process the Department followed in updating PERSAL to reflect staff movements may not have been accurate and reliable as “errors were identified and in certain cases documentation could not be provided for employees physically inspected.”<sup>8</sup> The Auditor-General also found that leave records were not satisfactory.<sup>9</sup> The Auditor-General found amongst other things that:

- inadequate documentation or inappropriately approved documentation was attached to leave gratuity payments and capped leave forms
- errors were noted within Persal where leave was captured incorrectly
- there was a significant backlog of leave forms that had not been capture onto Persal.

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<sup>5</sup> Audit Communication and Reporting Presentation, Office of the Auditor-General of South Africa, slide 5.

<sup>6</sup> Ibid, slide 4.

<sup>7</sup> During the Education Portfolio Committee sitting on the Consideration of the 2006/07 Budget (07 November 2007), the Acting Chief Financial Officer for the Department of Education, acknowledged that there was contradictory information between its EMIS division and the different directorates

<sup>8</sup> Report of the Auditor-General to the Provincial Legislature of the Eastern Cape Province on the Annual Financial Statements of Vote 6- Department of Education for the year ended 31 March 2007, Department of Education, Annual Report, 2006/07, p.100.

<sup>9</sup> Ibid, p. 103

In the absence of reliable leave records, the Auditor-General noted that it was not possible to confirm the accuracy of the leave entitlement and capped leave commitments.<sup>10</sup> The accuracy of financial statements relating to 13<sup>th</sup> cheque accruals could not be confirmed due to unreliable information on Persal.<sup>11</sup> The Auditor-General also found that there were misstatements in the annual financial statements on remuneration paid to key management personnel.<sup>12</sup> Due to insufficient supporting information on these payments, the extent of misstatement could not be determined.<sup>13</sup> The scope of the audit was clearly limited with the information that the Department provided to the Auditor-General.

## **1.2. Expenditure**

The Auditor-General again noted the Department's failure to provide adequate documentation regarding its expenditure. As a result material uncertainties existed regarding the validity of contracts awarded and the validity and accuracy of expenditure incurred.<sup>14</sup> Excluding capital payments and compensation of employees, the Department incurred R1.6 billion in expenditure during the year under review.<sup>15</sup> However this expenditure could not be audited properly due to lack of documentation by the Department.<sup>16</sup> The Auditor-General also found that there was irregular expenditure relating to payments made to agents responsible for the Department's school building and school furniture programmes. This was due to the fact that the Department had relegated control and accountability to of these programmes to these implementing agents and by so doing, failing to comply with sections 38(1)(a)(iii), (1)(d), and (1)(j) of the PFMA.<sup>17</sup> In the Department's financial statement, there were no disclosures on irregular expenditure. This again limited the extent in which the Auditor-General's audit could find whether the money was spent in accordance with that it had been allocated for due to insufficient information supplied by the Department. The Department also failed during the audit to adequately account for the following two items:

- The accuracy and validity of payments made to meal servers involved in the School Nutrition Programme could not be confirmed as the department could not provide adequate supporting documentation.
- Transfer payments made to section 20 no-fee schools were incorrectly classified as goods and services.<sup>18</sup>

## **1.3. Property and plant equipment**

It is concerning that the Department did not have an asset register which included additions for the year under review. Information reflected in the annual financial statements and the Department's fixed asset register showed an unreconciled difference of R337.2 million. The Auditor-General also noted that:

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<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid, p. 101.

<sup>15</sup> Ibid.

<sup>16</sup> On its own account the Department admitted that it had failed to submit the required information to the Auditor-General for the 2006/07 audit.

<sup>17</sup> Report of the Auditor-General to the Provincial Legislature of the Eastern Cape Province on the Annual Financial Statements of Vote 6- Department of Education for the year ended 31 March 2007, Department of Education, Annual Report, 2006/07, p.101.

<sup>18</sup> Ibid, p. 102

- The Departmental fixed asset register was maintained in electronic spreadsheet format which was not considered as an adequate asset management system.<sup>19</sup>
- Assets held under finance leases and donated assets were not included in the fixed asset register of the department.
- The department did not conduct a physical verification of its fixed assets in the current year.
- Not all losses were accounted for at school, district and head office level.<sup>20</sup>

#### 1.4. Receivables

An indication of misleading information was also shown by the Auditor-General in the reflection of payments for capital assets in the Department's statements. According to the Auditor-General's report, an unspent amount of R124,9 million transferred to service providers that was included in the payments for capital assets should have been returned to the Department and surrendered to the revenue fund.<sup>21</sup>

The Department also failed to properly account for amounts due to the Department, as there was inadequate documentation attached to journals and incorrect journals processed. As a result the accuracy and validity of the amounts reflected in the Department's financial statements could not be confirmed.<sup>22</sup> A similar finding was made by the Auditor-General in respect of debt accounts due to a lack of adequate supporting documentation for debts raised.<sup>23</sup> Another finding in regards to receivables was the Department's failure to disclose any receivables for departmental revenue in its disclosure notes to the annual financial statements.<sup>24</sup>

#### 1.5. Payables

For three consecutive financial years the Auditor-General found that some of the payable accounts had not been reconciled and cleared on a regular basis.<sup>25</sup> These had been carried forward to the 2005/06 and 2006/07 financial year and still remain

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<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid, p. 103.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid, p.104. The Auditor-General in making this findings noted that, "the Department earned interest of at least R8.5 million which had not been received by the end of the year. This interest was earned on funds held in bank account by implementing agents on behalf of the Department. The accuracy and completeness of this recoverable revenue could not be determined as the Department did not prepare reconciliations of funds paid to implementing agents and spent by implanting agents."

<sup>25</sup> Report of the Auditor-General to the Provincial Legislature of the Eastern Cape Province on the Annual Financial Statements of Vote 6- Department of Education for the year ended 31 March 2005, Department of Education, Annual Report, 2004/05, p.121. Report of the Auditor-General to the Provincial Legislature of the Eastern Cape Province on the Annual Financial Statements of Vote 6- Department of Education for the year ended 31 March 2006, Department of Education, Annual Report, 2005/06, p.155. Report of the Auditor-General to the Provincial Legislature of the Eastern Cape Province on the Annual Financial Statements of Vote 6 - Department of Education for the year ended 31 March 2007, Department of Education, Annual Report, 2006/07, p.104. The Auditor-General has also emphasised that such failures contravene Treasury Regulation 17.1, which deals with the use of clearing and suspense accounts.

uncleared or unreconciled.<sup>26</sup> As a result, the Auditor-General could not confirm the existence, accuracy and completeness of payables.<sup>27</sup>

## **1.6. Journals**

According to the Auditor-General it was not possible to obtain reasonable assurances that the amounts disclosed in the annual financial statements of the Department were accurate, due to the following reasons:

- The Department did not have adequate controls in place regarding the processing of manual journal transactions on the Basic Accounting System (BAS).
- Manual journal Transactions were processed across all account balances and classes of transactions within the BAS.<sup>28</sup>

While it appears that the Department was able to provide documentation during the 2006/07 audit, indicating an improvement from previous years, the Auditor-General stressed that some journal transactions lacked sufficient supporting documentation.<sup>29</sup>

## **1.7 Commitment and accruals**

The scope of the audit work that could be performed by the Auditor-General in respect of commitments and accruals was limited due to a lack of supporting documentation.<sup>30</sup> Due to these discrepancies, the Auditor-General could not confirm the completeness and accuracy of commitments and accruals.<sup>31</sup> He found amongst other things that:

- Commitments of R579,2 million on the BAS and commitments on the Logistical Information Systems (LOGIS) could not be reconciled with commitments and accruals included in the financial statements.
- Adequate reconciliations were not performed, and
- The Department did not have adequate control mechanisms in place to identify, record and manage commitments and accruals.<sup>32</sup>

## **1.8 Contingent liabilities and guarantees**

Due to a lack of supporting documentation, the Auditor-General could not determine the accuracy of information provided by the Department in the annual financial statements. The valuation, completeness and existence of contingent liabilities could

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<sup>26</sup> Report of the Auditor-General to the Provincial Legislature of the Eastern Cape Province on the Annual Financial Statements of Vote 6- Department of Education for the year ended 31 March 2006, Department of Education, Annual Report, 2005/06, p.155. Report of the Auditor-General to the Provincial Legislature of the Eastern Cape Province on the Annual Financial Statements of Vote 6- Department of Education for the years ended 31 March 2007, Department of Education, Annual Report, 2006/07, p.104.

<sup>27</sup> Ibid.

<sup>28</sup> Report of the Auditor-General to the Provincial Legislature of the Eastern Cape Province on the Annual Financial Statements of Vote 6- Department of Education for the years ended 31 March 2007, Department of Education, Annual Report, 2006/07, p.105.

<sup>29</sup> Ibid, 105.

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

not be confirmed by the Auditor-General as supporting documentation in regards to motor vehicles and housing loan guarantees was lacking.<sup>33</sup>

It is also concerning that the Department failed to disclose claims totalling R4.7 million against the Department.<sup>34</sup> These inconsistencies in the Department's reporting indicate failure by the Department to account properly to oversight bodies. The Auditor-General's finding in respect of interdepartmental balances suggests that the Department's annual financial statements are misleading.<sup>35</sup> Furthermore the accounting officer failed in the accounting officer's report to give an account of litigations claims against the Department which, according to the Auditor-General, were reflected at an amount of R36.2 million which were presented to the Department.<sup>36</sup>

### **1.9. Audit findings in regard to the Annual Report and the strategic plan**

The following inconsistencies were found in the Department's reporting and display further evidence of an inability to account effectively:.

- Lack of reporting on all predetermined objectives in the Annual Report.<sup>37</sup>
- Measurable objectives were materially inconsistent between the Annual Report and the Annual Performance Plan<sup>38</sup>
- Measurable objectives were materially inconsistent between the Annual Report and the budget.<sup>39</sup>
- Lack of systems generating performance information<sup>40</sup>

The Revised Five-Year Strategic Plan listed seven key areas raised as audit queries over the 2004/05 financial year, on which the Department was taking action during the year under review.<sup>41</sup> In the Plan, the Department stated that it would develop and implement policy and guidelines to ensure compliance in terms of entries and procurement. It also stated that it would address the non-submission of documents. In terms of ledger accounts the Department indicated that it would write off and reconcile old balances and ensure that reconciliations are reviewed on a monthly basis on a standard template. According to the Five-Year Plan, leave records would

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<sup>33</sup> Ibid.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid. according to the Auditor-General there were confirmations that were obtained from other departments revealing claims of R5.9 million that were not disclosed in the Department's annual financial statements. The audit report also found that the Department did not have adequate control mechanisms in place to identify, record and manage intergovernmental claim.

<sup>36</sup> Ibid. The Auditor-general found that the Accounting Officer had also failed to include the fact that the chief financial officer was suspended and subsequently resigned.

<sup>37</sup> Ibid, p. 111. The Department failed to report against nine objectives for Programme 2 (Public Ordinary School Education) and one for programme 7, (Early Childhood Development) in the annual report as set out in the annual performance plan.

<sup>38</sup> Ibid, there were material inconsistencies between measurable objectives reported in the annual report for programme 1 (Administration), 2 and programme 5 (Further Education and Training) and the predetermined objectives set out in the annual performance plan.

<sup>39</sup> Ibid, certain objectives reported in the annual report for programmes 1, 2 4 (Public Special Schools Education) and 5, were not consistent with the predetermined objectives relating to the budget.

<sup>40</sup> Ibid, The Department could not evaluate the Department's performance information as the systems relevant for generating information on the targets included in the annual performance report were not adequate.

<sup>41</sup> Eastern Cape Department of Education, Five Year Strategic Plan, 2005/06-2009/10, p. 105.



be addressed through a registry project that will ensure that monthly monitoring mechanisms were in place to prevent discrepancies. The Department would also put in place tighter monitoring procedures to deal with fruitless and wasteful expenditure so as to identify problem areas.<sup>42</sup> However, the 2006/07 Annual Report did not reflect on the Registry project which was implemented in the 2005/06 financial year in regard to some aspects of the Department's internal control environment.<sup>43</sup>

Given the queries raised by the Auditor-General, it is clear that the Department has either not succeeded or did not address the key areas as planned. While the audit report would provide an update of the Department's progress in addressing some of the issues raised during previous audit reports, it is also concerning that the Department did not report against these queries in the accounting officer's report for the year under review.

## 2. Portfolio Committee Recommendations

[Portfolio Committee Recommendations<sup>44</sup>]

Provincial Legislature Portfolio Committee's play a crucial role in seeking to ensure that the executive and departments are held accountable for their performance in implementing policies and programmes. The Committee's carry out their oversight role throughout the year through monitoring and investigation and by making enforceable recommendations relating to the performance of departments and state organs within their jurisdiction.<sup>45</sup> Departments are obliged to respond to all recommendations of the Portfolio Committee's and Committee's have various powers to ensure compliance with their recommendations. The Committee's are also required to scrutinise the strategic plans and annual reports of their relevant government departments, and investigate queries raised by the Auditor-General.

During the sitting of the Portfolio Committee on Education on the 2005/06 Annual Report, the Committee found amongst other things that, at district level:

- There were no proper tools to capture and monitor assets
- The Logis infrastructure had not been set up at all the district offices.<sup>46</sup>

The Committee then recommended that the Department supply all the district offices with the necessary equipment to capture and monitor assets and also ensure the installation of Logis.<sup>47</sup> The findings of the Auditor-General for the year under review

<sup>42</sup> Eastern Cape Department of Education, Five Year Strategic Plan 2005/06-2009/10, p. 106.

<sup>43</sup> According to the Accounting Officer's management report for 2005/06, a registry project was implemented to set up human resources management and expenditure registries in all districts and head office. The project was initiated with the intention to provide the Auditor-General with the necessary information at the shortest possible time. The overall objective of this registry project according to the 2005/06 Annual Report is to improve the quality of audit opinion, the Department has received in the past.

<sup>44</sup> In terms of the regulatory framework, Portfolio Committees consider bills (i.e. draft legislation), deal with departmental budget votes and oversee the work of departments. In addition, committees enquire and make recommendations about any aspect of a department, including its structure, functioning and policy. The work of committees is not restricted to government – they may investigate any matter of public interest that falls within their area of responsibility.

<sup>45</sup> Standing Rules and Procedures of Eastern Cape Provincial Legislature, Section 63.

<sup>46</sup> Resolutions/ Recommendation of Portfolio Committee on Education: Annual Report 2005/06, p. 1.

<sup>47</sup> Ibid.

(as noted in sections 1.3 and 1.7 above) provide clear evidence that the Department has failed to address findings of the Auditor-General raised in the 2005/06 financial year and which were reinforced by the Portfolio Committee's findings and recommendations as outlined above.

During the Portfolio Committee's sitting on the 2006/07 Annual Report, the Department conceded that it could not deal with the Auditor-General's queries during the audit due to capacity issues and that they did not have enough time to supply the required information to the auditors. As a result it was difficult to verify the reliability of such information due to capacity issues.<sup>48</sup> This again reflects the Department's inability to address audit queries. During the sitting, the Committee emphasised that it was inexcusable for the Department to provide these justifications as the audit queries were not new but issues that had been seen in the Department's audit reports on a yearly basis.<sup>49</sup>

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<sup>48</sup> Consideration of the 2006/07 Annual Report, Portfolio Committee on Education, 07 November 2007.

<sup>49</sup> Ibid.

### 3. Standing Committee on Public Accounts (SCOPA) Recommendations

[Standing Committee on Public Accounts<sup>50</sup>

The Standing Committee on Public Accounts is mandated to ensure compliance by provincial departments with relevant laws and regulations pertaining to the proper public financial management. The Committee carries out its financial oversight role through monitoring and investigation, as well as by making enforceable recommendations to ensure compliance.<sup>51</sup> In 2007 SCOPA held hearings in respect of the 2000/2001-2006/07 financial period.<sup>52</sup>

According to the report of both the Auditor-General and the Education Portfolio Committee, the Department faces a number of serious financial management and service delivery challenges. For the exercise of effective oversight, the Department needs to be accountable and improve its performance. The Department's continued inability and failure to provide the Auditor-General with the documentation it requires, or to comply with legislation and regulations governing the use of public resources, as well as its consistent failure to plan to address queries raised by the Auditor-General in its strategic plans, limits the work done by oversight bodies. Furthermore, the Department's failure, over a number of years, to address the recommendations made by the Portfolio Committee, undermines the role of the oversight process established by the South African Constitution. Service delivery will only improve when the Department proactively seeks to address concerns raised by oversight bodies.

Each year, the PSAM produces seven main outputs: 1. Budget Analysis; 2. Strategic Plan Evaluation; 3. Expenditure Tracking Report; 4. Service Delivery Report, 5. Accountability to Oversight Report, 6. Scorecard; 7. Integrity Systems Evaluation. Together, these publications provide a comprehensive overview of the performance of government service delivery departments in respect of their implementation of accountability and service delivery systems necessary to realise socio-economic rights to education, health care, housing and welfare. The Budget Analysis and Strategic Plan Evaluation are forward-looking research outputs, produced at the beginning of the financial year. These outputs analyse the likely impact of policy priorities, budget allocations and planned activities on each department's ability to implement effective accountability and service delivery systems in the upcoming financial year. The remaining outputs are retrospective, and provide an analysis of each department's actual performance in the previous financial year. All PSAM outputs are available on [www.psam.org.za](http://www.psam.org.za).

<sup>50</sup> In terms of the Constitution and public finance legislation in South Africa, this Committee exercises oversight over the way public funds are spent by government departments. The Auditor-General's annual report on the accounts and financial management of government departments should be carefully scrutinised, and heads of departments and private service providers should be regularly called to account by SCOPA. The financial oversight role of SCOPA is carried out through monitoring, investigating and the making of enforceable recommendations to ensure compliance with the Constitution and regulatory provisions.

<sup>51</sup> Standing Rules and Procedures of Eastern Cape Provincial Legislature, Section 63.

<sup>52</sup> The Standing Committee has held hearings for selected Departments for the 2000.2001-2006/07 financial period. (Electronic mail communication between PSAM researcher Lwandile Fumba and the SCOPA Eastern Cape Manager, Mr Lwazi Giba) Transcripts for the 2006/07 financial year were not yet available when this report was finalised. A revised report will be published when these have been made available.