

Syllabus Outline Public Sector Governance

NQF8

Public Sector Governance

Please note: there is no prescribed textbook for this module. Please download the prescribed readings from the URLs provided at the end of this document

The aim of this module is to enable students to apply the concepts of good governance within the public-sector environment and critically evaluate the causes of governance failures.

| Syllabus topics | Syllabus detailed content | Readings |
|--|---|---|
| Learning Outcome 1: Demonstrate an understanding of the governance structures and processes of government | | |
| The structure and functions of key decision-making structures in government | <ul style="list-style-type: none"> • The role of the executive structures • The executive structures and the doctrine of collective responsibility • The structure and functions of the civil service • Types of public sector entities: National departments; Provincial departments; Local government; Statutory bodies and authorities; State-owned companies (SOCs); Chapter 9 Institutions | <ul style="list-style-type: none"> • PSC¹ Guide on Governance Practice for Executive Authorities and Heads of Department. Chapter 3: Role Clarification at the Executive Interface |
| Learning Outcome 2: Apply ethical principles to decision-making in specific scenarios. | | |
| Ethics and values | <ul style="list-style-type: none"> • Rule-based and principle-based approaches • Individual values, attitudes and beliefs | <ul style="list-style-type: none"> • King IV: State-Owned Enterprises and Public Sector Supplements |
| | <ul style="list-style-type: none"> • Impact of corporate governance codes, regulatory requirements (PFMA, Companies Act) and principles on ethical behaviour • The importance of ethical behaviour in a professional environment • The effect of globalisation on ethical decision making • Ethical principles and decision making • The consequences of unethical behaviour • Codes of ethics and/or conduct | <ul style="list-style-type: none"> • PSC Guide on Governance Practice for Executive Authorities and Heads of Department. Chapter 7: Managing Ethics in the Public Service • PSC Code of Conduct for Public Servants • Companies Act: Chapter 2: Part C: Transparency, accountability and integrity of companies • Companies Act, Chapter 7, s 159: Protection for whistleblowers • Zondo Commission: Summary |

¹ PSC = Public Service Commission

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| | <ul style="list-style-type: none"> Conflicts of interest and political association | |
| Learning Outcome 3: Explain and evaluate the roles and responsibilities of decision-makers in the public sector | | |
| The structure of public sector entities | <ul style="list-style-type: none"> Governing boards; Advisory boards; Role of CEO or head of department or agency; Role of chairman within public sector entities; Role of board members (committees: tender committee; audit committee; remco; risk); composition; induction; education and training; ex-officio members Charters or terms of reference Board performance and evaluation Directors' duties: risk management; internal audit; compliance; insurance and indemnity | <ul style="list-style-type: none"> King IV PFMA Ch 6 plus s1-4, 49-51, 66-70, 76-77, 83-86, 92-95 Companies Act Chapter 2: Part F: Governance of Companies Companies Act Chapter 3: Enhanced Accountability and Transparency Department of Public Enterprises. 2021. State-Owned Company Board Evaluation Framework SALGA Risk Management Framework |
| Learning Outcome 4: Identify government stakeholders and evaluate their expectations of the public entity | | |
| Stakeholders of public entities | <ul style="list-style-type: none"> Compacts and other performance agreements The government as shareholder Interdepartmental relationships and interactions | <ul style="list-style-type: none"> King IV PSC Guide on Governance Practice for Executive Authorities and Heads of Department PFMA Section 51 |
| Learning Outcome 5: Demonstrate an understanding of public sector accountability mechanisms | | |
| Oversight structures | <ul style="list-style-type: none"> The role of the oversight structures such as the Auditor General and National Treasury The role of commissions of enquiry The role of an ombudsman Other commissions Records and reporting in terms of relevant legislation | <ul style="list-style-type: none"> King IV National Treasury: A Known and Trusted Ombud System for All Companies Act, Ch 3: Enhanced Accountability and Transparency PFMA, Ch 6 |
| Learning Outcome 6: Implement the public sector procurement process according to prescribed regulations | | |
| The public sector procurement process | <ul style="list-style-type: none"> The basics of, and rationale behind, the regulated public procurement process Supply chain management | <ul style="list-style-type: none"> PSC Guide on Governance Practice for Executive Authorities and Heads of Department Thornhill et al. Ch 13: Public Procurement: A Bastion against Corruption |

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| | <ul style="list-style-type: none"> • Considerations when engaging the marketplace • The different procurement procedures, their timescales and the situations they are best suited to • The roles of the selection and award stages within the public procurement process • The basics of evaluation and standstill | <ul style="list-style-type: none"> • National Treasury. Procurement Guidelines • Zondo Commission: Summary |

| Practical and work competencies |
|---|
| <p>Given different scenarios, the learner must be able to:</p> <ul style="list-style-type: none"> • Provide stakeholders with an analysis of a corporate governance problem. • Provide solutions and advice as to how a corporate governance problem might be resolved according to best practice. • Ensure compliance with the PFMA, MFMA and regulations |

Prescribed:

- Legislation
 - PFMA No 1 of 1999 <https://www.treasury.gov.za/legislation/pfma/act.pdf>
 - MFMA No 56 of 2003 <http://mfma.treasury.gov.za/Legislation/lgmfma/Pages/default.aspx>
 - Regulations as follows:
 - <https://www.treasury.gov.za/legislation/pfma/act.pdf> **Chapter 9**
 - <http://mfma.treasury.gov.za/RegulationsandGazettes/Gazette27636/Pages/default.aspx>
 - <http://mfma.treasury.gov.za/RegulationsandGazettes/Documents/Municipal%20SCM%20Amendment%20Regulations.pdf>
 - <http://mfma.treasury.gov.za/RegulationsandGazettes/Documents/Promulgated%20Regs.pdf>
 - <http://mfma.treasury.gov.za/RegulationsandGazettes/GazetteNo29967/Pages/default.aspx>
- Department of Public Enterprises. 2021. State-owned company board evaluation framework: <https://dpe.gov.za/wp-content/uploads/2021/03/DPE-SOC-Board-Evaluation-Framework-Version-2.1-25-March-2021.pdf>
- <https://www.treasury.gov.za/publications/other/soe/governance%20oversight%20role.pdf>
- IODSA. 2016. <https://www.iodsa.co.za/page/king-iv-report>
- IODSA. 2016. https://cdn.ymaws.com/www.iodsa.co.za/resource/resmgr/King_IV/sector_supplements/SOE_supplement.pdf
- IODSA. 2016. King IV Public Sector Supplement: https://cdn.ymaws.com/www.iodsa.co.za/resource/resmgr/King_IV/sector_supplements/Municipality_supplement.pdf
- National Treasury: A Known and Trusted Ombud System for All: https://www.treasury.gov.za/twinpeaks/Final%20Twin%20Peaks%20Policy%20Doc_A%20known%20and%20trusted%20ombuds%20system%20for%20all_September2017.pdf

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- National Treasury. Procurement Guidelines. <https://www.treasury.gov.za/legislation/pfma/supplychain/general%20procurement%20guidelines.pdf>
- PSC Code of Conduct for Public Servants: <https://www.psc.gov.za/documents/code.asp>
- PSC Guide on Governance Practice for Executive Authorities and Heads of Department: <https://www.psc.gov.za/documents/reports/2019/PSC%20Report%20175x250-B5-Final%2009052019%20HoD%20Guide-Printer-3mm%20bleed-20191107.pdf> (Ch 1, 2, 3, 7, 10, 11)
- Relevant sections of the Companies Act (Chapter 2, Part C (pp 66-82); Part F (pp 114-156); Chapter 3, Part B (pp 162-176; 263-270); Chapter 7 Part A, s159 (Protection for Whistleblowers) <https://www.justice.gov.za/legislation/acts/2008-071amended.pdf>
- SALGA Risk Management Framework: <https://www.salga.org.za/Documents/Knowledge-products-per-theme/Municipal%20Finance/Risk%20Management%20Framework.pdf>
- Thornhill et al. (2023) Public Administration and Management in South Africa Ch 13 – **download from Student Portal**
- Zondo Commission of Enquiry Summary: <https://pari.org.za/wp-content/uploads/2022/09/PARI-Summary-The-Zondo-Commission-A-bite-sized-summary-v360.pdf>

Additional readings and resources: for downloading or reading/viewing:

- Daily reading of news articles on public sector organisations, e.g. Financial Mail; Business Day, Daily Maverick or other
- OECD. 2014. <https://www.oecd.org/gov/ethics/Corruption-Public-Procurement-Brochure.pdf>