



As the Registrar of the Da Vinci Institute, regulations and compliance is my world, so when I came across this article by Mr Andrew Siddle, it caught my attention.

Andrew Siddle, a consultant and adjunct associate professor in the College of Accounting at the University of Cape Town, published an article titled, **Public financial management crisis – What role for universities?**

In the article he discusses the crisis that we find ourselves in, with regards to the country's financial management system, highlighted in the annual Auditor-General's reports on all national and provincial government departments and municipalities. He opens the discussion by giving some history on the Public financial Management crisis. He says that in 1994, following the establishment of the new democratic order, South Africa embarked on a Public Management reform process. From this process, two important Acts emerged, namely, the Public Finance Management Act (PFMA), and the Local Government: Municipal Finance Management Act (MFMA). Where the former Act applies to the national and provincial spheres of government, the latter applies to the local sphere. Both bodies "constitute the essential framework for financial management in the public sector" and they share the same broad objectives, in that they promote "effective, efficient, transparent and accountable public sector financial management". The system adopted is considered best practice and as such one would expect a sound financial management system. However, some comments sited from the 2017-2018 audit report are that, "overall, the audit outcomes regressed"; "only 99 (25%) of the auditees managed to produce quality financial statements and performance reports and to comply with key legislation"; "there were serious weaknesses in the financial management of national and provincial government that had not been addressed over the past four years"; "the financial statements submitted to us for auditing were even worse than in previous years"; "the financial health of auditees continued to deteriorate"; and "irregular expenditure continued to remain high at R51 billion".

So what is being done at government level to address the issue?

The author states that the South Africa's National Treasury, developed a comprehensive Capacity Development Strategy (CDS) for Public Financial



Management that identified constraints in the public sector which included a lack of suitable education, training and development programmes.

In light of this, the CDS developed a "...broad curriculum framework for an undergraduate bachelor's public sector financial management degree, with the intention being that universities would be encouraged to adopt the curriculum as the basis for new public sector-focused programmes". It was "..designed to immerse the student in the public sector environment, to teach content that directly addresses the requirements of the public sector and to produce high-quality graduates who view public service, and particularly public financial management, as a desirable career choice".

Unfortunately, there has been little uptake by universities. The author suggests a number of reasons for the indifference, one of them being the "belief that programmes designed with the private sector in mind will be adequate to address the needs of the public sector".

The author believes that by implementing programmes for the development of the necessary technocratic skills, all registered higher education institutions in South Africa can play a pivotal role in mitigating this crisis.

Da Vinci, as a private higher institution is in a highly competitive space, where programmes are developed to meet industry needs, but there is clearly a skills gap in the public sector and thereby an opportunity exists.

In addition, the article also suggests non-compliance and unethical conduct in all spheres of government. In this regard Short Learning programmes or modules in compliance and ethics should be considered in line with public sector needs.