

The Role of South African Parliament in Ensuring Sustainability Accounting in the Public Sector

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Abstract: Members of parliaments are uniquely positioned to shape, advance and implement the Sustainable Development Goals in various countries. They can lead the development of relevant legislation and policies, monitor implementation, ensure oversight, accountability, transparency and good governance. The attainment of the United Nations Sustainable Development Goals calls for South African government to strengthen its approach towards sustainability accounting and management. Important to note is that South Africa is a signatory for United Nations Sustainable Development Goals Charter which implies that Parliament has to play a pivotal role in the implementation of United Nations Sustainable Development Goals. This is a conceptual paper based on the content analyses of literature written about public accountability and the attainment of Sustainable Development Goals. Content analysis is defined as a research method which examines words and phrases within a wide range of texts including books, book chapters, essays, interviews, speeches and informal conversations. By examining the presence of repetition of certain words and phrases in these texts, a researcher is able to make inferences about the philosophical assumptions of a writer, a written piece, the audience to which the piece was written and even the culture and the time in which the text is embedded. Literature review reveals that sustainability accounting is regarded as the business sector concept, however, it is more relevant to public sector given the government pressure to reduce public spending in response to the diminishing resources. In the context of this paper sustainability accounting can be equated to public accountability. From the introduction of the fifth Parliament, South Africa has witnessed various forms and shapes of unprecedented attempts by the members of the executive of avoiding Parliament to hold them accountable of their actions. This paper argues that any form by members of the executives avoiding to hold accountable (tackling accountability from behind), the attainment of Sustainable Development Goals will be an illusion. The paper posits that the cost of addressing the effects of tackling accountability from behind by members of the executives' costs government a lot of Rands compared to the cost that would have been incurred if public accountability will have been accorded the attention it deserves by members of the executives. Therefore, the purpose of this paper is to examine the implications of members of executive avoiding to be held accountable and its impact towards the attainment of Sustainable Development Goals.

Keywords: Accountability, Oversight, Sustainability accounting, Sustainable Development Goals

1. Introduction

Parliament is charged with the responsibility of law making, representing the interests of the people and providing checks and balances as a way of controlling the executive. To this end, sustainability accounting is a radical political concept that challenges deeply held beliefs about what constitutes human progress (economic growth, inalienable rights to high levels of personal consumption) and requires a basic understanding of ecological thresholds and how to live within the limits of natural systems which few of us may grasp or want to think about. In addition, it

implies radical change to highly institutionalised practices in service delivery (Ball and Grubnic, 2011:189). According to Unerman, Bebbington and O'Dwyer (2011) sustainable development is the central policy goal of our times and the United Nations Sustainable Goals remind us just how pressing these issues are. The 17 United Nations Sustainable Development Goals (SDGs) with their 169 targets contained in the agenda demonstrates its scale and ambition. The goals and targets seek to build on the Millennium Development Goals (MDGs) and complete what these did not achieve. Sustainable development recognises that the eradication of poverty in all its

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forms and dimensions, combating inequality within and among countries, preserving the planet, creating inclusive and sustainable economic growth, and fostering social inclusion are independent. Therefore, the attainment of the SDGs depends on the full functioning of parliament whose members who are accountable. The purpose of this paper is to explore the role of South African parliament in ensuring sustainability accounting in the public sector.

2. Contextual Framework

According to Shija (2012), the Constitution of the Republic of South Africa, 1996 sets parameters of legitimacy and checks and balances for the utilisation of national resources to benefit every citizen. Section 195 of the Constitution of the Republic of South Africa, 1996 makes provisions for good governance through basic values and principles governing public administration. In terms of section 195(1)(f) of the Constitution of the Republic of South Africa, 1996 public administration must be accountable. Furthermore, the Constitution of the Republic of South Africa, 1996 states that Parliament has the power to conduct oversight of all organs of state. Therefore, sustainability accounting in public sector organisations has a huge potential for enabling progress on sustainable future if practised in order to:

- Provide a vehicle for envisaging how policies and programmes translate heroic but vague political objectives for sustainability into action and change.
- Provide a frame of reference for understanding how natural systems works and developing a precautionary approach to undertaking core tasks and activities (Burrirt and Welch, 1997a).
- Provide means for reflecting on progress on redefining core mission and policy objectives in the context of a more sustainable future (this idea is analogous to corporations shifting their core business model).
- Help define an organisationally or institutionally significant contribution (Hopwood, 1978:57).
- Illuminate the consequences of funding cuts, and such consequences for social justice as detrimental impacts on vulnerable sections of society that the government no longer protects.

Batlhomilwe and Molebatsi (2015) assert that the execution of the above-mentioned responsibility is dependent upon the existence of Parliament which is strong, independent and capable of holding the executives accountable and transparent without fear or prejudice.

2.1 Critical Theory and Sustainability Accounting

Critical theory offers the most useful approach for calling out offensive organisations and working with them to affect positive change. The literature features three streams for understanding the critical theory: business case (good for profits), stakeholder accountability (proof preferred by certain groups and publics) and critical theory (critique of capitalist exploitation). Some organisations, more than others, also report on unachieved goals to provide a more complete and transparent view; a tactic proven to yield stakeholder trust when explanations are offered for moving forward (Pomper, 2015). Critical theory is relevant to this paper in that the pressures on service delivery have forced governments to find new ways of enhancing their delivery of services as required by the citizens they represent taking into account the diminishing of resources.

2.2 Understanding United Nations Sustainable Development Goal Number 16

United Nations Sustainable Development Goal number sixteen is centred around the promotion of peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. According to EPF (2014) this goal is centred around three critical elements i.e. peace, justice, inclusive societies; and effective, accountable and inclusive institutions. It is argued that countries with highly accountable and inclusive institutions are at the top of the Human Development Index rankings, whilst those with extremely unaccountable and exclusive institutions are at the bottom. This paper argues that this goal is the masterpiece that holds the key to the achievement of all other United Nations Sustainable Development Goals. The sustained, thoughtful, deliberate efforts to maintain peace, promote justice and inclusion, and build accountable and inclusive institutions is one of the impetus that investors take into consideration when business decisions are to be taken. Critical to this assertion is the fact addressing all the United

Nations Sustainable Development Goals requires a collaborative effort between government and the private sector. In order to attract the business sector, parliament must take the lead in promoting good governance i.e. advocate for transparent, democratic institutions as well as efficient and effective public services (UNDP, 2014). This goal raises governance issues that parliament has to address in order to ensure sustainability accounting in the public sector. As opined by United Nations Development Programme (UNDP, 2012) the quality of governance has a profound effect on sustainable development.

2.3 Role of Parliament in Ensuring Sustainability Accounting in the Public Sector

Sustainability accounting and accountability in the public sector, noting that in large part sustainability accounting and practice has focused on private sector. Ball and Grubnic (2011:189) argue that the public sector has much to offer society as it is often these organisations that are called upon and used by government to translate, among other things, the heroic demands of the environmental agenda into tangible policies and programmes. According to European Parliamentary Forum (EPF, 2014) parliamentarians as the representatives of their electorate, they can make the voice of citizens heard and define the fiscal and budgetary regimes needed to mobilise sufficient resources.

Parliamentarians hold the purse strings, as such they have the power to define the fiscal regimes needed to mobilise national resources towards financing development efforts, create new and innovative resources of financing development assistance. Furthermore, parliamentarians have the means to ensure oversight, accountability, transparency and strengthening of the institutions of good governance at a country level. Parliamentarians have the task to translate the future development agenda into their very own national perspective, thus creating ownership and ultimately having the responsibility to formulate credible laws and establishing relevant institutions within the context of national realities (EPF, 2014). It is the responsibility of parliament to ensure that it puts the enabling conditions for private sector and civil society to partner with government for the successful implementation of all Sustainable Development Goals. The role of parliament in ensuring the implementation of Sustainable Development Goals does not go

without challenges. The following section focus on manifestations of tackling accountability by members of parliament.

2.4 Challenges of Parliament in Relation to Sustainability Accounting

There are numerous challenges with regard to sustainability which few are discussed below:

2.4.1 Political God-Fatherism

While Southern African Institute of Government Auditors (2011) concedes that it is widely known that in South Africa there is a lack of requisite skills in financial management, Polity (2011) in Ngwakwe (2012) argues that apart from lack of requisite skills, there are possibilities that dwindling financial accountability depicted by the rising number of qualified audit opinions may stem from the incorrect placement of unqualified candidate in critical positions, political manoeuvrings i.e. god-fatherism that adversely impact the selection process of qualified personnel. In addition, Kalema (2007) argues that communities are painfully aware that elected political office bearers are unreliable, in the process of accountability. He argues that often, they are too preoccupied with their own political survival to pay adequate attention to the officials' wrong doing. Alternatively, they become the main instigators of financial indiscipline and other official wrongdoings through partisan appointment, meddling in strictly professional matters, victimizing suspects who do not follow the party line or protecting the political loyalists and peers. The same sentiment is echoed by Thomson (1983) who posited that in some cases where the executives are to be held accountable they only do it ephemerally, usually taking the ritualistic blames for policy failures of their departments committed by officials.

2.4.2 Obscured Transparency in Public Financial Management

Promotion of transparency within public financial management environment remains the centre-piece through which the members of the public throw their trust to the executives and public office bearers at large. According to African Capacity Building Foundation (ACBF) (2007), social virtues such as transparency are often not easily imbibed by those whose responsibility demands adherence to transparency. They argue that the level of public transparency is seen as low and postulates that this state of affairs may contribute in part to the level of

political and civil unrest in the continent and in the rising level of poverty. Semberya (2011) posits that obscured transparency gives little or no indication of how the public funds are spent, and this lack incapacitates citizens from holding the executives answerable for financial impropriety and poor service delivery.

2.4.3 Lack of Transparency in Public Procurement

Although procurement is an integral part of public financial management as advocated by Basheka (2008), it is however important to indicate that lack of transparency in the area of public procurement is one of the platforms through which public funds are misdirected to personal objectives via dubious public procurements. According to Ngwakwe (2012), greater accountability problems tend to manifest in the procurement or acquisition section of the supply chain management units. Langseth, Kato, Kisubi and Pope (1997) postulate that most procurement contracts in Africa tend to favour those with political connections and such stifles desired service delivery to the public. All this happens under the watchful eye of the public and result in the conversion of peaceful citizenry to a nation of violence and anger when excuses are delivered at the expense of quality services. According to Herzemberg (2010) argue that dubious procurement practices may be widely spread in many sectors of public administration which may possibly contribute to contemporary service delivery bottlenecks and consequential protests.

2.4.4 Undermining the Minority Views

According to Allen and Tommasi (2006), suppressing or undermining the minority views has not only been one of the weaknesses, but also a hindrance to effective performance of platforms established by parliament to hold members of the executive accountable. They posit that the African National Congress (ANC) has used its votes to ensure that the will of its leaders are served. This is a clear strategy by the ruling party to avoid subjecting their leaders to public scrutiny which has since seen the nation runs out of its patience of tolerating any failure by government to deliver goods and services. Much of this has been at play through the arms deal as well procurement processes for the improvement of President Jacob Zuma's homestead in Nkandla.

2.4.5 Dodging Scheduled Committee Hearings

Mzoma (2010) opines that the road to fulfilling legislature oversight function is often littered with

executive landmines of varying shapes, sizes and potential to maim legislative committees. He purports that this could include a minister or secretary giving such excuses as prior commitment clashing with a scheduled committee hearing under the pretence that the minister is still researching the information requested by the committee. Madue (2012) supports the notion by indicating that a common excuse in the South African legislature is conflicting institutional priorities.

2.5 Benefits of Sustainability Accounting in the Public Sector

When members of the executive subject themselves to public scrutiny through established public platforms in Parliament they are not only contributing towards democratic consolidation but also inculcate the culture of accountability in the public service. Supporting the above notion, Schillemans (2008), argues that there is a significant direct positive relationship between public accountability and improving management of public finances. This paper posits that members of executives are correctly and strategically placed to display the exemplification of public accountability through which the entire public administration can emulate. Inculcating the culture of accountability can contribute towards addressing negative audit findings. The study by Bekker (2009) revealed that public accountability results in improving aggregate fiscal discipline, allocative efficiency and operational efficiency. This will induce public officials into taking careful decisions on how public finances are expended (Fourie, 2006).

2.5.1 Promote Good Governance

When members of the executive allow themselves to be subjected to public scrutiny, it builds a fine footprint for good governance. According to Ijeoma and Sambumbu (2013), accountability and performance reduces costs associated with misconduct and misappropriation of public funds. They continue to state that this can result in government realizing billions of cost savings which can be used to improve performance in areas where there are shortfalls.

2.5.2 Improve Delivery of Quality Services

Allen and Thommasi (2006) theorises that increase public accountability would enable government to achieve optimal performance and improve delivery of quality services to its citizens. Through monitoring

and evaluation, government is in the position to put a watchful eye on how the executives execute their responsibilities and are therefore more prone to produce quicker results. Therefore, any means by the executive of avoiding to be held to account deny citizens of their constitutional right to sustainable quality service delivery with service delivery protest as an inevitable phenomenon.

2.5.3 Improve Efficiency

Public accountability is increasingly becoming one of the main determinants of effective governmental performance (Schillemans, 2008:16). Schillemans (2008:16) posits that effective public accountability results into improving; practice of good corporate governance, management of public finances, and service delivery. On the other hand, Bekker (2009:1) argued that public accountability reduces costs associated with investigating misconducts and misappropriation of public funds. Through this, he added that governments are able to realize billions in costs savings.

2.5.4 Public Sector Institutions for Ensuring Sustainability Accounting

There are various institutions introduced by government to sustainability accounting in the public sector. This includes the Public Protector, the Auditor-General, Public Service Commission which are relevant to this paper. These institutions are established in terms of chapter nine of the Constitution of the Republic of South Africa, 1996. They are regarded as watchdogs which keep government in checks and transform the society, thus safe guarding our constitutional democracy. According to Naidoo (2012:667) these institutions are charged with ensuring that not only procurement officials, but public service in its entirety should conduct itself in line with the values and principles enshrined in the Constitution of the Republic of South Africa, 1996 and thus geared to promoting good governance. Sebola (2012) indicates that most South African oversight institutions have their effectiveness limited by their advisory and recommendatory role rather than as institutions with power to enforce implementation. It is a problem that in most instances the findings of oversight institutions are not implemented by government (Sebake & Sebola, 2014). Weak capacity, limited investigative resources and skills to finalise pending corruption related cases for public officials have adverse effects on the quality of services to be rendered. This incentivises the wrongdoers since they know that non-compliance to procurement processes will only be recommendations without consequences.

2.6 The Antidotes of Enhancing Sustainability Accounting in the Public Sector

The suggested antidotes of enhancing sustainability accounting are hereunder given in detail.

2.6.1 Capacitation of Parliament

Madue (2012) argues that Parliaments lack the technical expertise to be able to participate in economic planning and analysis, and therefore cannot be expected to be real players in the financial policy process. Barkan (2005) indicates that the conventional wisdom among students of South African politics is that the National Assembly is a weak legislature and little more than a rubber stamp for the ruling party as such cannot be regarded as an autonomous branch of government and certainly not an institution of countervailing power capable of checking the executive because is subject to political party dominance that prevents the exercise of significant oversight responsibilities on the executives

2.6.2 Effective, Responsive and Accountable State Institutions

The state capacity or the ability of states to form and implement policies vibrant policies that address the global challenges is an essential prerequisite for sustainability accounting and, therefore, remain key in the realisation of sustainable development goals. According to UNDP (2014) weak states are more prone to conflicts and civil war. It argues that the capacity for sustainable development is not just about efficient administration, it also requires state to be responsive to the needs and demand of the people, coordinate and mobilising collaborative action to address an increasingly interconnected and complex development agenda. It requires parliament that has a robust multi-stakeholder engagement with institutions including the courts, Auditor-General, anti-corruption agencies, Human Rights Commission and civil society.

2.6.3 Openness and Transparency

Openness and transparency are essential to achieve sustainability accounting. There is evidence that informed citizens and the private sector a better able to engage in developing policy, they are better collaborators and partners with government on service delivery, and also better able to hold governments to account, leading to improved development outcomes. Transparency in government behaviour sends strong signals to citizens and investors, and evidence shows that the more

information government releases, the greater the investment and subsequent effect on economic growth. Transparency in budget, expenditure and procurement processes lead to increases in service delivery (UNDP, 2014).

2.6.4 Addressing Corruption and Curbing Illicit Financial Flows

According to UNDP (2014), there is wealth of evidence that corruption is a major hindrance to sustainable development with a disproportionate impact on the poor and the marginalised populations. It posits that corruption is bad for health and education outcomes, equality, rule of law, and foreign investment. Corruption and illicit financial flow is an international problem. UNDP (2014) reveals that USD\$1 trillion of illicit flows are estimated to leave annually from the developing world; USD\$11.5 trillion of assets are considered to be owned by individuals in off-shore banks, resulting in an estimated annual loss of USD\$250 billion in tax revenue, which could be channelled towards sustainable development. Therefore, there is a great need for parliament to continuously look for better ways of addressing corruption and curbing illicit financial flows since it has a negative bearing on sustainability accounting.

2.6.5 Curbing Violence and Combating Transactional Organised Crime

Globalisation has given rise to unprecedented growth in the volume of trade and movement of goods, persons and money across boundaries and borders. This has created considerable economic growth and prosperity, but all too often for the benefit of the few and further disenfranchisement of many. It has out-paced mechanisms for national, regional and global governance, giving rise to opportunities for transactional organised crime to thrive. This includes drug and human trafficking with women as the hardest hit. In order to address this challenge, parliaments are required to have a simultaneous attention to the demand driving the illicit markets for drugs. There is a need for regional and international cooperation to investigate, prosecute and adjudicate cases and the reinforcement of legal frameworks, particularly at regional and international level. Parliament has to ensure that the criminal justice mechanism is strengthened in line with international human rights standards and principles as well as introducing strategies and policies aimed at preventing crime, rehabilitating and supporting the recovery of addicts, and protecting victims.

3. Conclusion

The world has undergone enormous change over recent years, including major shifts in the global economic and political balance, increased global trade, climate change and depletion of natural resources, technological change, economic and financial crises, increased consumption and price volatility of food and energy consumption, population changes and migration, violence and armed conflict and natural and man-made disasters, and increased inequalities. New actors, including private and other non-governmental players, have arisen in the global arena. In this regard, parliament becomes the most relevant institution to lead in finding solutions for responding to challenges. The essential role of national parliaments (through their enactment of legislation, adoption of budgets and ensuring accountability) remains critical achievement of Sustainable Development Goals. Therefore, public accountability is increasingly becoming one of the main determinants of effective governmental performance (Schillemans, 2008:16). Moreover, Schillemans (2008:16) posits that effective public accountability results into improving; practice of good corporate governance, management of public finances, and service delivery.

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