**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 | • The role of the executive structures<br>• The executive structures and the doctrine of collective responsibility<br>• The structure and functions of the civil service<br>• Types of public sector entities: National departments; Provincial departments; Local government; Statutory bodies and authorities; State-owned companies (SOCs); Chapter 9 Institutions | • PSC[1] 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 | • Individual values, attitudes and beliefs | King V™: Principle 2**:** Ethics |
| | • Impact of corporate governance codes, regulatory requirements (PFMA, Companies Act) and principles on ethical behaviour<br>• The importance of ethical behaviour in a professional environment<br>• The effect of globalisation on ethical decision making<br>• Ethical principles and decision making<br>• The consequences of unethical behaviour<br>• Codes of ethics and/or conduct<br>• Conflicts of interest and political association | • PSC Guide on Governance Practice for Executive Authorities and Heads of Department. Chapter 7: Managing Ethics in the Public Service<br>• PSC Code of Conduct for Public Servants<br>• Companies Act: Chapter 2: Part C: Transparency, accountability and integrity of companies<br>• Companies Act, Chapter 7, s 159: Protection for whistleblowers<br>• Zondo Commission: Summary |

[1] PSC = Public Service Commission

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|---|---|---|
| **Learning Outcome 3: Explain and evaluate the roles and responsibilities of decision-makers in the public sector** | | |
| The structure of public sector entities | • 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<br>• Charters or terms of reference<br>• Board performance and evaluation<br>• Directors' duties: risk management; internal audit; compliance; insurance and indemnity | • King V™: Principle 1**:** Leadership; Principle 5: Composition of the governing body; Principle 6**:** Committees of the governing body<br>• PFMA Ch 6 plus s1-4, 49-51, 66-70, 76-77, 83-86, 92-95<br>• Companies Act Chapter 2: Part F: Governance of Companies<br>• Companies Act Chapter 3: Enhanced Accountability and Transparency<br>• Department of Public Enterprises. 2021. State-Owned Company Board Evaluation Framework<br>• SALGA Risk Management Framework |
| **Learning Outcome 4: Identify government stakeholders and evaluate their expectations of the public entity** | | |
| Stakeholders of public entities | • Compacts and other performance agreements<br>• The government as shareholder<br>• Interdepartmental relationships and interactions | • PSC Guide on Governance Practice for Executive Authorities and Heads of Department<br>• PFMA Section 51 |
| **Learning Outcome 5: Demonstrate an understanding of public sector accountability mechanisms** | | |
| Oversight structures | • The role of the oversight structures such as the Auditor General and National Treasury<br>• The role of commissions of enquiry<br>• The role of an ombudsman<br>• Other commissions<br>• Records and reporting in terms of relevant legislation | • National Treasury: A Known and Trusted Ombud System for All<br>• Companies Act, Ch 3: Enhanced Accountability and Transparency<br>• PFMA, Ch 6 |
| **Learning Outcome 6: Implement the public sector procurement process according to prescribed regulations** | | |
| The public sector procurement process | • The basics of, and rationale behind, the regulated public procurement process<br>• Supply chain management<br>• Considerations when engaging the marketplace<br>• The different procurement procedures, their | • PSC Guide on Governance Practice for Executive Authorities and Heads of Department<br>• Thornhill et al. Ch 13: Public Procurement: A Bastion against Corruption<br>• National Treasury. Procurement Guidelines<br>• Zondo Commission: Summary |

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| | timescales and the situations they are best suited to<br>• The roles of the selection and award stages within the public procurement process<br>• The basics of evaluation and standstill | |

| Practical and work competencies |
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| Given different scenarios, the learner must be able to:<br>• Provide stakeholders with an analysis of a corporate governance problem.<br>• Provide solutions and advice as to how a corporate governance problem might be resolved according to best practice.<br>• 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
- IoDSA King V™ Report on Corporate Governance. Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved. Download from: https://cdn.ymaws.com/www.iodsa.co.za/resource/collection/7DAE15BF-07FA-4922-879E-6788368F5DB4/KingV_code.pdf
- https://www.treasury.gov.za/publications/other/soe/governance%20oversight%20role.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
- 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.dpsa.gov.za/ethicsofficerguide/resources/ps/Code of Conduct for Public Service Employees.pdf
- PSC Guide on Governance Practice for Executive Authorities and Heads of Department https://static.pmg.org.za/200304PSC_Report.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.westerncape.gov.za/treasury/files/wcg-blob-files?file=2025-03/4-local-government-risk-management-framework_0.pdf&type=file
- 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. 2024: https://www.oecd.org/en/publications/2024/06/oecd-guidelines-on-corporate-governance-of-state-owned-enterprises-2024_68fa05cd.html