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THE CHALLANGES OF ACCOUNTABILITY AND TRANSPARENCY IN THE LESOTHO CIVIL SERVICE

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EXECUTIVE SUMMARY

The Civil Service inefficiency in the last two to three decades prompted governments and international development partners to put more emphasis on the reforms in an effort to improve accountability and transparency. Despite these efforts the civil service continue to be shrouded with practices that defy accountability and transparency and total disregard of economic and efficient use of public resources; and therefore ineffective in service delivery. The argument presented contends that the political and administrative deficiencies or shortfalls inherent within government have resulted in poor financial and administrative management of public resources. These have destroyed the professional and social fiber of political leaders and public officials to the extent that pubic demands are sidelined to pursue interests of certain individuals who hold positions of power. In the process management of programmes and the financial management are inefficient weakening accountability and transparency.

Weak accountability and transparency mechanisms have been manifested in reports of inefficiency, corruption, waste and misuse of public resources and poor service delivery as reflected in AG's reports, the media and parliamentary debates. There are also gaps in the auditing of annual accounts the Parliament and the Executive turned a blind eye on this, indicative of lack of commitment towards accountability and transparency. The research has revealed the following as challenges for effecting accountability and transparency mechanisms:

Information flow on the activities of the executive from the ministries to Parliament is inadequate, inaccurate and not submitted on time. The information system within the ministries is weak as there is missing information and some not properly recorded making information necessary for accountability and transparency inadequate. This was a result of non-compliance with the financial rules and regulations and these compounded by the fact that the work was not properly supervised and well monitored. Non-compliance was also aggravated by the fact that the authorities gave directives for incurring certain expenditures which were in conflict with the stipulated rules and

regulations and therefore weakening the system of information recording. Financial management system has loopholes which hinder information recording for transparency to be achieved. There were also weak internal controls which went unabated resulting in inadequate information on the use of public funds. Inherent skill deficit aggravated inefficiency hence weak accountability and transparency.

OAG responsible for ensuring that Parliament gets information receives poor quality information due to inaccessibility and unavailability of some information making the information insufficient and inaccurate. This coupled with shortfalls within the office such as lack of independence impedes the office from obtaining the quality of staff and lacks other resources such as equipment and vehicles which are necessary for carrying out its mandate efficiently. Audit coverage is therefore about 20% of the government ministries and not all programmes are covered. Staff turnover due to uncompetitive government salary compounds the problem of staff as a result there is low audit coverage further constraining obtaining of quality information from the ministries. This results in parliament receiving information that is not credible to make an assessment of government performance adequately.

The legislative scrutiny continues with the deficient information that it receives, and from the PAC hearings there has been evidence of officers not being able to give credible account of how the resources have been expended, and unconvincing justifications were given for financial mismanagement. This weakens the quality of analysis by the PAC and this coupled with the skill deficit within the PAC and lack of parliamentary research capacity hindering expert judgment aggravates the problem of legislative scrutiny and evaluation hence the quality of feedback to the ministries.

The audit reports are also not well publicized as there are no public hearings and no press conferences when the audit report is issued. Civil Society that plays a role in making government accountable by questioning and scrutinising its actions was weak and lacked the muscle to put government to task for financial mismanagement. Moreover, the media though vibrant its coverage does not reach most parts of the country except the national radio station which is seen to be monolithic and biased in reporting on performance of government.

The ministries did not attend to PAC recommendation appropriately and on time and while the legislature is empowered to enforce compliance however, the follow-up mechanisms were weak and it was incapable of eliciting response to PAC suggestions from the executive. The executive did not feel compelled to respond to the PAC recommendations hence were ignored. This rendered the legislative and oversight structures and systems inadequate, the public financial management system weak and in efficient and ineffective monitoring of the executive arm of government.

The conclusion derived from this is that a negative attitude of political and bureaucratic leaders towards accountability weakens accountability and transparency. And unless there is sufficient high level commitment to robust accountability the PAC and OAG cannot succeed in obtaining credible information on accountability and the PAC and Civil Society cannot hold the executive accountable as this could only be achieved if government permits it to happen.

DECLARATION

I declare that the research is my original work achieved through investigations I made with employees of some ministries of the Lesotho civil service including those of the Office of the Auditor General and members of the Public Accounts Committee. This research report is submitted for Master of Management in Public and Development Management of the Witwatersrand Business School. This piece of work has never been submitted to any other university for academic assessment. Information contained in this report has been duly acknowledged.

Signed: ______________________________

Date: ______________________________

ACRONYMS

ADB	African Development Bank
AG	Auditor General
APRM	African Peer Review Mechanism
CAO	Chief Accounting Officers
CSO	Civil Society Organizations
DEP	Development Empowerment for Peace
GoL	Government of Lesotho
GOLFIS	GoL Financial Information System
IFMIS	Integrated Financial Management Information System
INTOSAI	International Organisations of Supreme Audit Institutions
IDI	Ireland Development Initiative
MoET	Ministry of Education and Training
MoFDP	Ministry of Finance and Development Planning
MoHSW	Ministry of Health and Social Welfare
MoCST	Ministry of Communications, Science and Technology
MoLG	Ministry of Local Government
MTEF	Medium Term Expenditure Framework
NGO	Non Governmental Organisation
NPM	New Public Management
NUL	National University of Lesotho
OAG	Office of the Auditor General
PAC	Public Accounts Committee
PSC	Public Service Commission
PSIRP	Public Sector Improvement Reform Programme
SAI	Supreme Audit Institute
TRC	Transformation Resource Centre

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CHAPTER ONE

1. Introduction

Public sector institutions are perceived to be inefficient and ineffective in the delivery of public goods and services. This is despite reforms deployed to improve efficiency and respond to the ever increasing demand for accountability and transparency. Some governments in Africa and international development partners focused attention on good governance, accountability and transparency in a bid to improve financial management within public sector institutions. One may argue that political interference and administrative weaknesses hinder effective measures to effect accountability and transparency. This research examines the existing accountability and transparency mechanisms in the Lesotho civil service by looking at the institutions involved in accountability arrangement with the aim of identifying the challenges of weak accountability and transparency.

This report comprises six chapters, chapter one introduces the research and provides an outline of the contextual framework of public sector institutions in general, with emphasis on their deficient status in ensuring accountability and transparency. Narrowing this down to Lesotho, a political overview and the nature of the civil service have been highlighted. Chapter two presents the conceptual framework on good governance, accountability and transparency which is essential in grounding the research. This chapter also presents accountability arrangement/model adopted in Lesotho and challenges of accountability in general and as they exists in Lesotho from other researchers perspectives. Chapter three relates the methodology adopted in carrying out the research, while chapter four is presentation of data while chapter five discusses the results of the research. Chapter six is the conclusion on the findings and areas for further research.

1.1 Public sector institutions

Public sector institutions in Africa have over the past three decades been inefficient and the quality of service delivery poor. Governments in these countries and international development partners realised that inefficiency and poor service delivery negatively impacts on development of the citizenry. As a result a plethora of public sector reforms

were embarked upon with the aim of mitigating efficiency and effectiveness challenges. This was to ensure that these institutions are responsive to the public demands and interests. However, these reforms have not paid off as evident from the continuing manifestations of waste, extravagance, corruption and inherent poor service delivery.
The reforms originate from the western countries and some writers assert that failure of the reforms should be blamed on the content and context of the reforms as well as the external experts introducing them. However, one may argue that this may represent just one side of the story because the developing countries' governments that adopt these reforms are also equally to blame for not customizing these blueprints to the local situations in Africa.

Apparently good plans for reforms are drawn; but implementation is problematic. Evidently, programme evaluation of public institutions reveals poor governance where officials are not accountable and transparent in conducting official duties, and these institutions have virtually become breeding grounds for corruption, extortion and other unethical behaviour corroding the perceived legitimacy of these institutions. It is no surprise therefore that service delivery is unsatisfactory and development, if any, is very sluggish in African countries. Mugasha 1998 (in Mohiddin, 2006, p:19) notes that "the current emphasis on transparency and accountability and sound development management in Africa is not a reinvention of the wheel; rather it is a reaction to the widespread anti-develop tendencies which have long sustained post-colonial state behaviour in Africa in the last thirty years". This explains why most governments and development partners have put greater emphasis on accountability and transparency in governance and programme and project implementation in particular.
This research examines the existing accountability and transparency mechanisms within the Lesotho civil service. Emphasis is on identifying factors that contribute to the weakness of these mechanisms as reflected from the media, audit reports and parliamentary debates.

1.2. Contextual framework on public sector institutions

The overwhelming public dissatisfaction about service delivery in the public sector is mirrored in many parts of Africa. The literature on public sector institutions indicates that most public institutions are regarded as wasteful, inefficient and ineffective and generally ill functioning and this is to the detriment of development initiatives in these countries (Bentham, 1970 in Dixon, Kouzmin, Kakabadse, 1998, p: 165; Gould and Mukendi, 1989, p: 439; Kumssa, 2004, pp: 843-844). The inefficiency is attributed to poor administrative and financial control, insufficient accountability for activities which subsequently lead to corruption (Glynn and Murphy, 1996, p: 125; Meon and Sekkat, 2005, p: 71). The ill functioning of these public institutions is considered to have the most prominent inefficiency that corruption could grease (Meon *et al*, 2005, p: 71).

As a result, these institutions therefore require better-established accountability and transparency mechanisms to guard against waste, abuse and misuse of power and public resources. The same view is also shared by Derlien, 1999 in (Peters, 1995, p: 129) noting that, "bureaucracies are reservoirs of politicized incompetence …. not committed to legal responsibility and popular accountability fundamental to democracy". These kinds of institutions cannot be efficient and service delivery in African civil services has been alarmingly unsatisfactory as reiterated by research on these institutions.

The advent of democracy in Africa posed hopeful signs for good governance. The assumption was that the governance system by virtue of being representative of the people as opposed to the authoritarian regimes would have public officials and the executive that will serve the peoples' interests. This also presupposed that these officials will therefore be accountable to the electorate and transparent in performing their official duties (Peters, 1995, p: 127). In fact Chabal (2002, p:454) notes that "democratization and structural adjustment have acted as both constraints and opportunities for political elites whose very raison d'etre other than to hold on to power at all costs was being seriously undermined". In Lesotho for instance, the fact that the country has had regular free and fair elections is seen as setting the platform for people to demand accountability by the government (African Development Bank (ADB), 2006, p:5).

However, to the dismay of the electorate, political leadership and public servants that are inherently self-seeking, dishonest instead characterize the democratic systems in Africa, and this breeds public institutions that are weak and unresponsive to public demands (Dixon *et al,* 1998, p: 165; Kumssa, 2004, p: 852). And yet democracy is considered to be the answer to not only the political problems of governance, but also to the administrative and managerial accountability, efficiency and effectiveness challenges that continue to permeate public sector institutions in Africa.

Democracy has therefore proved not to be the missing link in the quest for efficiency and effective service delivery in African public institutions. Schacter (2001, p: 136) noted that;

> …universal suffrage and multi-party elections — are necessary but not sufficient to ensure healthy accountability between citizens and government. This is demonstrated in many young democracies of the developing world, which remain "haunted by old demons that they had hoped to exorcise with democratic rule: violations of human rights, corruption, clientelism, patrimonialism, and the arbitrary exercise of power."

As Van Gansberghe (2005, p: 1) argues "democracy requires government to be accountable in its use of public funds and in providing effective, efficient and economic service delivery". The aspect of accountability has been ignored in governance of most African governments in their quest for service delivery and development. For some of those countries such as Botswana and Mauritius seen as the icon of development in Africa, there are signs of development attributed to good governance. Some scholars maintain the argument that Botswana in particular attributes their success to discreet management of resources and measures to curb corruption (Maipose and Matsheka, 1997, p: 2). While some skeptics dispute this and argue that success in the two countries is due to their resource base and not necessarily good governance, it's apparent that some conscious effort was made to address elements that impact negatively on good governance such as corruption. For instance, in the case of Botswana, fiscal discipline, sound management and commitment to good governance enhanced the country's economic development (check the organisation that wrote this Handbook on Good Governance, 2003, p: 6). On the contrary, a country like Nigeria is wealthy and yet the wealth has been squandered through corrupt and fraudulent practices (World Bank, 2000). The argument advanced here is that the case of Nigeria shows that success does not always depend on a strong resource base.

The difference in governance in African countries indicates that development is possible provided governments in Africa put their minds to it and are committed and sincere about it. While other African countries can learn from lessons in Botswana, caution needs to be taken to tailor-make best practice to the local context, as what could be considered to be the best practice in one country may not necessarily be the best in another.

1.2.1 Public sector reforms

The state of affairs in public institutions therefore prompted governments to embark on different reforms which became one of the major policy issues in the past two to three decades. Different countries adopted civil service reforms in different times and the New Public Management (NPM) was widely adopted with the assumption that introducing private sector management systems, ideas, techniques and processes in public administration would improve efficiency and effectiveness of the civil service (Glynn *et al*, 1996, p: 125; Liou, 2001, p: 3).

According to Glynn *et al* (1996, p: 125) "the late 1980s and early 1990s governments have focused on improving their financial administration and promoting greater transparency and efficiency in the public finance management". These were aimed at mitigating problems of waste, fraud and abuse in service delivery. This was to be achieved through the following: making management of public services more accountable for efficient and effective deployment of public resources; promoting a performance-oriented culture; and making a public sector which is more responsive to the needs of people (Hoque and Moll, 2001, p:304,). Furthermore, Liou (2001, p:4) indicates that "the policy measures emphasised in recent government reforms have also broadened the traditional concerns of improving management and operational issues in public organisations to a new focus on good governance for successful development".

Nonetheless, the reform outcomes have been ambiguous and have not actually paid off. For instance, although there was some efficiency in New Public Management in terms of achieving the outputs, this was in most cases not effective as the quality of service was compromised in the rush to meet targets. This renders NPM not successful for accountability as the tendency is not to talk openly about mistakes, as a result, some information on performance of duties hidden, crippling accountability and transparency initiatives (Lodhia and Burritt 2004, p: 354). NPM is seen to be providing potential for financial mismanagement (Glynn *et al*, 1996, p: 135; Lodhia and Burritt, 2004, p: 355).

Lesotho like most countries in Africa embarked on a number of reforms in the past, the recent reform being the Public Sector Improvement Reform Programme (PSRIP), which commenced in 2005. The programme is aimed at mitigating problems of the public sector by improving efficiency, effectiveness as well as strengthening good governance in the country. On the part of public financial management, the Government of Lesotho (GoL) has started working on some components of the programme including; developing and implementing integrated planning and budgeting processes based around the Medium Term Expenditure Framework (MTEF) approach; strengthening the Accountant General's office through reorganisation, training and replacement of the financial management system; strengthening the role of oversight through a new Audit Act that is ready for submission to Cabinet (ADB, 2006, p:36). On this cocktail approach the GoL seem to be agreeable with what Santiso and Belgrado (2002, p: 4) posit that "there is a need to complement efficiency reforms with efforts to enhance accountability in public financial management". Although it may be too soon to pass on judgment on the reform efforts, they show no signs of success as reports of waste, embezzlement of public funds and corruption remain unabated.

1.2.2 Good governance and accountability

Good governance, accountability and transparency have been a great concern in the public and private sector in Africa and other parts of the world in the last two decades. The quest for good governance has also been emphasized by the international development partners such as the International Monetary Fund and World Bank that placed good governance as a condition for receiving financial aid by governments in Africa. These reforms are sometimes forced on to these governments and are compelled to comply (Bolton, 2003, p: 21). The World Bank 1998 (in Wehner, 2004, p: 2) confirms this indicating that "there is an increased interest by the international donor community in the quality of the budget process and the governance of the budget…. in particular the realization of the failure of conditionality in development lending and evidence on the effectiveness of aid". Most governments in Africa have recognized the need for good governance and through adoption of efforts like the African Peer Review Mechanisms (APRM) conduct peer reviews on governance initiatives in respective African countries (Negash, 2005, p: 1).

Good governance has therefore become top of the national agenda in most governments in Africa. In Lesotho good governance is government's priority and it ranks high in the government agenda as highlighted in the national development strategy paper - the National Vision 2020[1] (ADB, 2006, p: 35). According to the National Vision 2020 government intends to address governance challenges by among other things empowering the legislature to carry out the oversight role….and strengthening the public service for effective service delivery and accountability (National Vision 2020, 2004, p:9).

Also to indicate governments commitment to good governance Mohiddin (2006, p: 45) notes that "Lesotho has a Constitution in which all principles of good governance are enshrined and good governance institutions provided" although he also argues that this effort has not prevented or dealt away with bad governance. AG's reports bear testimony

[1] National Vision 2020 is a strategic paper outlining future plan and programmes for the country until the year 2020.

to this fact by revealing low levels of accountability and transparency evident from mismanagement of funds, fraud, irregularities and anomalies (Audit Report 2003, 2004, pp: 2-3). While the issue of accountability is a universal concern, it is more especially of vital importance in developing countries such as Lesotho due to the governments' crucial role of ensuring efficiency and effectiveness hence, service delivery and development.

The ever-increasing need for development in African countries gives impetus for governments to be accountable, transparent and practice good governance in all its undertakings. The various compelling factors to this include: an array of social, economic and technological pressures that force governments to become more effective, efficient and accountable in the use of public funds, increased globalisation and dissatisfaction of citizens with the current management and curtailing of budget spending (Rivlin, Samson, Wensing in Hoque and Moll, 2001, p:305, Bolton, 2003, p:20). Under these circumstances the government cannot afford to be inefficient and ineffective in its operations if it has to respond to these factors and serve its purpose. The challenge is for governments in Africa to constantly realign its activities in order to respond to the ever-growing demands of the citizenry and also be able to compete globally to enhance economic development. Good governance, accountability and transparency are therefore considered to be the missing link that governments should adopt as a panacea for remedying the ill functioning public institutions.

The challenge is to identify the weakest link in programme implementation and budget execution in order to address the prevalent shortcomings manifested in inefficiency and weak accountability in public institutions, despite efforts to engage various reforms to enhance service delivery. What is apparent is that governments' performance is greatly influenced by the political set up of the country more than the economic and social perspectives (Schacter, 2001, p: 136). With the political trends in Africa the public sector institutions are seen to be pursuing more of political agenda than fulfilling a collective public agenda.

Ensuring accountability would also require governments to necessitate credible accountability relationships between Parliament[2], the Executive and the citizens whose requirements are at stake. Public accountability is therefore vitally important for efficiency and this is good for the country and improves efficiency in carrying out activities and therefore freeing more funds for development. Lesotho public financial management system is weak the financial accountability lacks an effective system for monitoring, evaluation and expenditure control (ADB, 2006, p: 7).

1.3. The Political overview of Lesotho

Lesotho is a landlocked mountainous country, which covers approximately 30,350 square kilometers of which 13% of it is arable land (Chiwandimira, Overland, Gilbert, 2006, p: 3). The country was a British protectorate since 1868, and gained political independence from the British rule in October 1966. Lesotho is a constitutional monarchy, with the King as Head of State, an elected Prime Minister as Head of Government. There are three tiers of government namely the Parliament, the Executive and the Judiciary established through the Lesotho Constitution that also provides for the separation of powers among the tiers. It has a dual legal system comprising the traditional customary law and the common law.

The executive power is vested in the King who, subject to the provisions of the Constitution, exercises his powers through officers or authorities of the Government of Lesotho (GoL) (Constitution of Lesotho, 1993, p: 53). The fact that GoL has provided for accountability constitutionally is a sign of government's commitment in regard to accountability,

The Lesotho Parliament is bicameral and has two houses namely; the National Assembly and the Senate. The National Assembly constitutes 120-seat member, whereas the Senate comprises a 55-seat member of which 22 are permanently held by principal chiefs and 11 other senators who are appointed to represent the wider interests of society (from a range

[2] In this research, Parliament will be used interchangeably with Legislature.

of fields including; academics and former public servants). The Judiciary, is headed by a Chief Justice, and consists of the Court of Appeal headed by a president, as the highest court, the High Court, Magistrates' Courts, and the local courts (Constitution of Lesotho, 1993, p: 66). The presence of a functioning legitimate parliament is an indication of that GoL provides for accountability. Wehner (2004, p.2) shows that "democratization and constitutional change have opened up possibilities for legislative participation in many previously closed systems". In Africa legislative participation in the budget process is more robust than was the case in the last two decades.

1.3.1 Political developments in Lesotho

The country has had political instability between 1970 and 1986 when the Basotho National Party (BNP) government that held power then refused to relinquish power and suspended the Constitution. This led to fourteen years of undemocratic rule (1970 to 1986), which was ended by a military coup of 1986. Lesotho then saw seven years of military rule, which then ended in 1993. Under military rule preparations were made to have multi-party elections and these were held in 1993 with a landslide victory of the Basotho Congress Party (BCP). The electoral system followed the First-Past-The-Post electoral model until 1998 when it was combined with Proportional Representation rendering parliament with 120 seats of which 80 are from constituencies and the remaining 40 constituting members of the opposition. The then ruling BCP was split in 1997 and majority of the members of Parliament joined the then current Prime Minister into a newly formed party, the Lesotho Congress for Democracy (LCD) (Mapetla and Petlane, 2007, pp: 16-17). The country has since experienced political unrest from the opposition since 1998 and this continued even during the 2007 elections.

Worth noting is the fact that a lot of what is going on in the political sphere has great influence on the conduct of public servants; and the political instability in Lesotho has compromised accountability relationships within the civil service. For instance, the annual accounts were not audited during the fourteen years that the Constitution was suspended. The accounts audit was resumed in 1993 when parliament also reinstated the

Public Accounts Committee, which began to summon CAO and actually enforcing implementation of recommendations. However, considering the inefficient and extravagant performance of the civil service in the past, it is evident that the inefficiency and culture of inconsistent audits has been perpetuated despite efforts to transform the civil service through the reforms (PAC Report 2001/02, 2006, p: 51).

1.3.2 The Lesotho public service

The Lesotho government is the main employer with about 35,000 employees constituting four percent of the total formal employment in Lesotho, with guaranteed employee job security. Administratively, the country has been divided into ten districts. With decentralization of authority to the districts the government structure constitutes the central government at the national level based in the capital city and the other nine districts and the local government based in the local authorities. There are twenty Ministries and some services for these ministries have been decentralized to the nine districts of the country.

Performance of the civil service has been generally unsatisfactory and public has lost confidence in the government due to poor service delivery. The public perceives the Lesotho civil service to be shrouded with inefficiency and corruption. It is governed by a number of legal frameworks relating to programme implementation, financial and administrative laws and procedures and other laws dealing with conduct of civil servants. Among others, GoL established Public Sector Act whose objective is to develop and maintain a stable, efficient and effectively managed public service.

Financial management is the responsibility of the Ministry of Finance and Development Planning (MoFDP). MoFPD is effectively a custodian of the funds appropriated by parliament. It has deployed accounting cadre in the ministries to deal with the financial aspects of expenditure and revenue and are expected by law to present the financial statements to Treasury on a monthly basis. The financial statements are then prepared by Accountant General and later on audited by the Auditor General. Legal frameworks govern both the Accountant general and the Auditor General. These different legal frameworks are efforts that contribute to government's commitment in ensuring accountability and transparency. Nonetheless, there are inadequacies in the use of public funds indicative of poor public financial management.

1.3.3 Human resource capacity in Lesotho

The Lesotho civil service lacks adequate supply of qualified and trained personnel although the same also applies to the other employment sectors as well. Shortage of skilled and qualified technical, non-technical as well as managerial personnel hamper efficient and effective service delivery to the public (ADB, 2006, p: 3). Obtaining and retaining skill in Lesotho is difficult due to the fact that it is engulfed by South Africa, which offers more lucrative and better paying jobs. The Lesotho "brain drain" levels are therefore alarming and continue to escalate as the educated, skilled labour force that could be using expertise necessary for decision making migrate to South Africa (Mapetla and Petlane, 2007, pp: 156-157). Others remain locally in the private sector and parastatals, which pay slightly higher salaries than the government.

There is a need for the public service then to address the issues of human capacity by putting up retention mechanisms for securing its educated and skilled labour force. While skills retention is crucial, GoL may also need to improve the remuneration packages that are viewed as contributing to some of the unethical behavior by civil servants including fraud and corruption. The problem of unethical behaviour is that it subsequently leads to deliberate hoarding of information on performance thus diminishing accountability and transparency efforts.

1.4 Summary

In Lesotho, service delivery is poor, and it is generally believed that this is attributable to weak financial and management systems with subsequent inefficiency and ineffectiveness and lack of accountability and transparency. Despite reform efforts including the recent PSRIP in Lesotho problems of accountability and transparency remain a serious challenge and concern for the government. However, the country has adopted a fair take of an array of efforts by including accountability clauses in the Constitution, establishment of a legislative oversight body to monitor activities of the executive, the legal frameworks governing the accountability process are all indicative of a good platform for accountability. It shows government's awareness and commitment towards ensuring accountability, efficiency and good governance and therefore satisfactory delivery of services. The challenge is the actualization of this commitment that has over the years seems ironical.

There is also a challenging issue of shortage of relevant skills and inadequate supply of personnel, which are crucial to decision making. The question that is addressed by this research is what factors impact negatively on accountability in GoL civil service. It seeks to find out whether it is possible that skills deficit and personnel shortage impedes accountability. Are the reforms implemented irrelevant and impractical? Can we conclude that government is fighting a losing battle with regard to financial accountability and transparency? This research attempts to unravel the shortfalls with the aim of identifying them; assessing their cause, which is an area, that if unresolved challenges would not be addressed. The findings obtained will help GoL to develop strategies to address the challenges that make it difficult to attain accountability and transparency in the civil service.

1.5 Purpose of the research

Despite efforts to improve the efficiency and effectiveness of public service including public financial and administrative accountability, the public sector institutions continue to be wasteful, inefficient and ineffective with subsequent accountability and transparency deficiencies defeating efforts to promote good governance. Although efforts were made in the last decade to upgrade public finance management, Santiso and Belgrado (2002, p: 4) argue that "less attention has been paid to the simultaneous need to strengthen the mechanisms of accountability and promote integrity in management of the budget".

The purpose of this research is to examine the nature of accountability mechanisms or arrangement employed for effective and efficient service delivery. The crux of this research is to identify the challenges of accountability and transparency within the Lesotho civil service. The three ministries namely; Ministry of Education and Training and the Ministry of Communications and Ministry of Local Government are selected to reflect the challenges of accountability and transparency and the effect of these on service delivery. It is believed that the findings will provide useful information that could guide the new strategies to be adopted in promoting accountability and transparency in the civil service. Feasibility in terms of capacity and the political will of government can also be established and suggestions for improvements made. Critical to the government is to take heed of the fact that while reforms are important, leadership commitment and integrity are paramount.

1.6. Research objectives

The objective of the research is to identify and assess the challenges faced by GoL with regard to issues of accountability and transparency. From the findings of the research the GoL can be able to make improvements.

1.7. Research questions

The research assumes that weak accountability and transparency mechanisms within the Lesotho civil service impedes the quality of service delivery to the public and limits public insight into the use of its financial and other resources. In an effort to assess this assumption the research attempts to address the following questions:

i. What mandate(s) do OAG, Public Accounts Committee (PAC), other parliamentary portfolio committees and the line ministries have in effecting accountability and transparency in the civil service? What are the legal frameworks governing the accountability arrangement and transparency within the Lesotho civil service?
ii. How effective are the legal mandates of PAC, OAG and the ministries in effecting accountability and transparency in the civil service?

iii. What institutional arrangements, processes, procedures, systems and internal controls exist for effecting accountability and transparency in the civil service?

iv. Is adequate capacity for OAG, PAC and the line ministries available to perform their tasks efficiently?

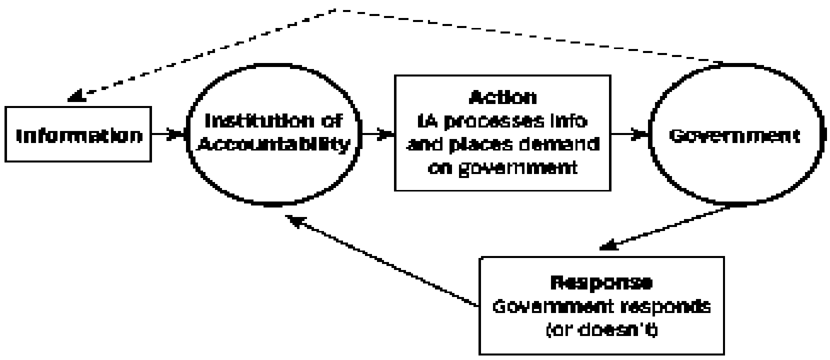
CHAPTER TWO

2. Literature review

The three broad areas that the research attempts to answer in relation to accountability and transparency mechanisms inform the theoretical framework for this research. These include: the constitutional requirements for accountability and transparency and other related legal frameworks, institutional arrangements and resource requirements for accountability and transparency; and the challenges that arise thereof. Emphasis will be on the issues relating to the following: obtaining, safeguarding and disseminating accountability related *information* with due regard to quality; *action* taken on that information by users of information; and *response* on the basis of feedback from users of the information.

The research has adopted the notions of *information, action and response* from the Accountability Cycle by Mark Schacter (2001)[3].

Figure 1: Accountability Cycle



Source: ISUMA

[3] Schacter's presentation of Accountability Cycle models the internal logic of the relationship between an institution of accountability, that is, Parliament and a unit of the executive branch of government in a three stage format namely: Information, Action and Response

The cycle illustrates these three stages of accountability and these will form the basis for identification of the challenges of accountability and transparency. Moreover these will also become standards against which performance regarding the challenges will be assessed.

Simply put, the legal framework, institutional arrangements and resources for obtaining information from the ministries, action by the responsible Parliamentary committees on the information received and response on feedback from the committee(s) by the ministries. The challenges, their causes and effects on service delivery will be highlighted and best practice or lessons learned be taken into account.

2.1 The Concepts of Good Governance, Accountability and Transparency

2.1.1 Good governance

In deliberating on issues of accountability and transparency, it is crucial to first ground the research by defining the notion of good governance, as these two concepts are the constitutive elements of good governance. European Commission[4] (2003, p: 8) definition of good governance is;

> …the transparent and accountable management of human, natural and economic and financial resources for the purposes of equitable and sustainable development, in the context of a political and institutional environment that upholds human rights, democratic principles and the rule of law.

It is about ensuring that public sector institutions that provide public service, manage public resources, and ensure the realization of human rights in a manner that is completely free of abuse and corruption, and with due regard for the rule of law. The United Nations Development Program 1997 (in Abdellatif, 2003, p: 4) highlights the principles of good governance to include among others; accountability, transparency, effectiveness, participation, equity and the promotion and respect of the rule of law. For

[4]European Commission signed Cotonou Partnership Agreement on governance and making an agreement on the definition of the concept of good governance.

the purpose of this research the two principles of good governance namely; *accountability and transparency* will be the unit of analysis. Much of the discourse amongst governments, researchers and international development partners revolve around good governance, accountability and transparency in particular being essential for good service delivery and so development. Moreover, participation of civil society organisations (CSO) and the ordinary citizens is important in promoting accountability. The discourse around issues of governance indicates that good governance practices are necessary for improving the performance of public sector institutions.

Despite the fact that most governments in Africa have attempted to institute good governance practices in running government programmes through reforms including strengthening the oversight function, not much has been achieved in terms of improving accountability, transparency and efficiency. Anam (2005, p: 2) asserts that “good governance is a major problem for most developing countries” and yet it is essential because it is in these countries where most of unauthorized expenditures and misuse of funds are predominantly common. Research therefore becomes the best way to identify the root causes of accountability deficiencies and come up with relevant and credible suggestions on which to ground decisions on effective mechanisms for accountability and transparency in Lesotho civil service.

Although Lesotho is said to have made good progress in terms of establishing institutions necessary for good governance in general “and political accountability in particular”, bad governance still permeates the entire civil service (Mohiddin, 2006, p: 45). From the empirical data on the governance profile of Lesotho, while the country ranks above the average on the concerned governance indicators in Sub-Saharan Africa, this has not improved much between 1998 and 2004 (ADB, 2006, p: 4). Lesotho’s position is shown on table 1 below**.**

Table 1: Governance Indicators for Selected African Countries

	Governance Indicator – Percentile Rank (0-100)*									
	Voice & Accountability		Political Stability		Government Effectiveness		Regulatory Quality		Rule of Law	
Country	**1998**	**2004**	**1998**	**2004**	**1998**	**2004**	**1998**	**2004**	**1998**	**2004**
Botswana	70.7	68.9	79.4	69.4	75.4	76.9	72.2	79.8	79.1	70.5
Lesotho	**50.3**	**54.9**	**60.6**	**54.9**	**44.8**	**42.3**	**45.1**	**42.4**	**54.6**	**53.1**
Malawi	47.1	33.3	51.5	35.9	27.3	22.1	46.2	27.6	35.7	45.4
Mozambique	47.1	43.2	22.4	41.7	22.4	41.7	34.8	40.9	11.4	34.8
South Africa	72.3	72.3	21.2	38.3	64.5	74.5	60.3	64.5	67.0	60.9
Swaziland	20.4	10.2	44.2	53.9	29.0	31.3	51.6	37.9	53.5	19.3
Tanzania	36.1	38.3	62.4	35.0	38.8	40.4	51.6	29.1	48.6	39.6
Zambia	46.6	37.4	38.8	41.3	40.4	20.7	59.8	31.0	42.2	38.2
Zimbabwe	27.7	9.2	32.1	4.4	9.8	10.6	32.1	1.5	61.1	3.9
Sub-Saharan Av.	34.2	32.7	32.9	32.8	34.4	27.6	32.9	29.5	26.7	23.0
Nigeria	9.4	30.1	15.8	4.9	6.6	14.4	27.2	9.4	4.3	4.8
Chad	24.6	18.9	9.7	12.6	30.6	7.7	22.8	19.2	13.5	10.1

Source: D. Kaufmann, A. Kraay and M. Mastruzzi 2005: Governance Matters IV: Governance Indicators for 1996-2004, World Bank Website (www.worldbank.org).

* The figures indicate the percentile rank on each governance indicator. Percentile rank indicates the percentage of countries worldwide that rate below each country. Higher values imply better governance ratings.

Source: Lesotho's Country Governance Profile 2006

According to ADB, this stagnation realised between 1998 and 2004 is indication that good governance is weak in the country. In response to this, the government has taken a conscious effort to include good governance as one of the priorities of the National

Vision 2020. One of the major concerns raised as a challenge for the country is the need to strengthen the oversight role and public service to ensure efficient and effective accountability and transparency hence service delivery (National Vision 2020, 2004, p: 9). To this end one may argue that theoretically the country is committed to good governance, accountability and transparency. But there is need to ensure implementation of good governance, accountability and transparency in particular if the government is to achieve the goals for National Vision 2020.

2.1.2 Public accountability

The need for public sector change has prompted increased attention on public sector accountability in governance discourse by governments, academia and the international development partners. According to research the reforms within the public sector in many countries are a result of the need to deregulate but at the same time enhance accountability (Jones, Normanton, Smith and Hague, in Velayutham, 2007, p: 29; Hoque and Moll, 2001, p: 318). In the financial reforms efforts, accounting focuses on accountability and efficient allocation of resources rather than just on inputs and expenditure control.

The increasing demand for accountability is a result of increased awareness of performance of government in the public domain by various stakeholders and therefore putting the ministries under pressure to report on performance. This also requires these ministries to be accountable as the success of accountability depends on their willingness to be contemporary and objective in reporting performance (Chritensen and Yoshimi, in Chowdhury, 2005, p: 895; Diamond, 2002, p: 4).

Research on the concept of accountability puts emphasis on the relationship between the providers and users of information in justifying conduct (Velayutham, 2007, p: 30). The Principal–Agent theory will be used to illuminate the accountability relationship between the accountee, and the accounter. In this research, the accountee being *the principal* represents Parliament and CSO whereas the accounter being *the agent* represents the Ministries and Departments. Langendelfer (in Hoque and Moll, 2001, p: 129) asserts that;

> …accountability is demonstrated by ensuring that there are systems in place which provide information about a defined entity sufficient to enable informed judgments and decisions leading to an optimal allocation of resources and the accomplishment of objectives. This requires at least duality of accountability mechanisms; dealing with entity accountability and with managerial accountability.

Cameron (2004, p: 59) defines accountability as "being answerable for decisions or actions, often to prevent the misuse of power and other forms of inappropriate behaviour". Accountability is an icon of good governance (Bovens, 2005, p: 4). In essence therefore accountability is about giving responsibility and giving an account on conduct by the one charged with responsibility and knowing they will be shamed if not performing as expected. This reduces the chances of abuse or misuse of authority and public resources.

From this presentation of the definition one may argue that the bottom line is that there is account giving on conferred responsibility. This involves giving information on how responsibility has been fulfilled or not by the ministries, resulting in the PAC taking action on the information and giving feedback to the ministries to respond by improving performance or face sanctions imposed by PAC on the basis of information obtained. Accountability therefore contains abuse and misuse of power and resources and theoretically democracy provides for this platform where people can give opinion on performance of government. Florini (1999, p: 1) argues, "Promoters of democracy have come to realise that elections alone cannot provide accountability unless citizens can monitor the actions of officials they elect". Nevertheless, this platform is constrained by lack of transparency and weak accountability mechanisms. Information on accountability is lacking and ministries are not being transparent on performance, so that people can judge and give opinion on how they want to be served.

The various authors also make a distinction among the different types of accountability and the general view is that accountability can be categorized into the following types; political accountability, legal accountability, professional accountability, financial accountability, administrative accountability, and managerial accountability (Negash, 2005, p: 4; Bovens, 2005, p: 21). The actualisation of these categories in the public domain is referred to public accountability.

Public accountability in this research will focus on financial accountability, administrative and managerial accountability. The discourse on accountability centers on these. They are also more pronounced as they relate more to service delivery and their absence breeds corruption, inefficiency and hampers service delivery. Political accountability in this research is given considering the fact that there already exist the Parliament and Executive through elections and political appointments. However, reference will be made to this as it has great influence on the other three types.

2.1.3 Transparency

Public awareness and interest to know what government is doing is the premise for transparency. Transparency means being open about what one is doing and in this case the Executive (including government ministries) and Parliament being open to the public they represent and serve on performance of the government they elected. According to Mohiddin (2006, p: 28) transparency refers to “access to information on all matters related to the governance process”. It is being open about performance or conduct and disclosing information about it. It requires that duties and responsibilities of the public servants and the manner in which they perform duties are made public to all the stakeholders.

Transparency requires making information on accountability known to all stakeholders to enable them to question conduct of the Executive thus holding them accountable. Transparency has to leverage information by ensuring that its accessible when needed and that its quality adds value to the budget process and its outcomes. Bovens (2005, p:

5) deliberating on transparency asserts, “Although it is instrumental for accountability to happen, however, it does not constitute accountability”. For instance the ministries and parliament may be accountable without being transparent by not letting the public know, question or criticise conduct. In which case transparency is not being effected by the two failing to disclose information.

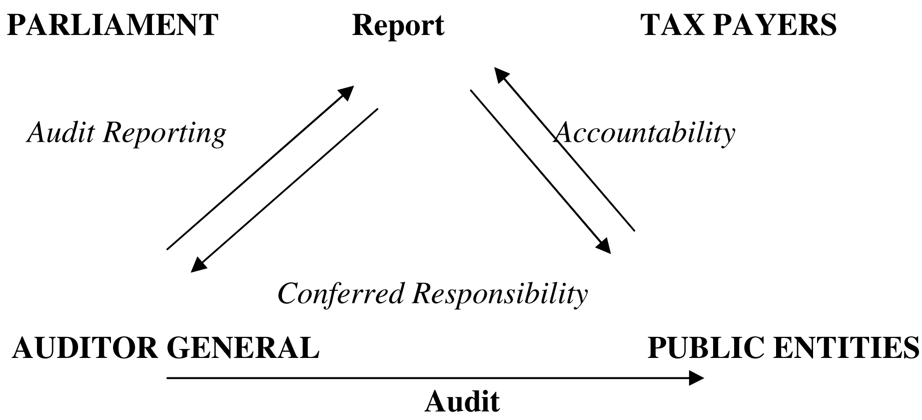
2.1.3.1 Information disclosure

In Lesotho like in many countries in Africa information disclosure is through the two main important documents namely; the Annual Budget Speech (with budget estimates and Appropriation Bills from Parliament) and Annual Audit Report. These are pivotal to transparency as the budget is a crucial tool for implementing national policies and the annual report presents how the budget has been utilised for policy implementation. Although budget statements are not impartial, they are considered necessary for accountability and transparency. Ensuring that the public is fully informed and aware of every stage of the budget process gives the stakeholders the opportunity to influence the budget formulation, implementation, monitoring and evaluation processes (ADB, 2006, p: 20).

2.2 Public accountability arrangement

In a parliamentary democracy such as in Lesotho the constitution confers on parliament the power to hold the executive accountable for its operations and as such the executive to provide information about its performance to Parliament. Amongst the different accountability models including: the Judicial or Napoleonic, Board or Collegiate, and Westminster; the Lesotho government having inherited the Westminster type of governance, adopted the Westminster model also referred to as the Anglo-Saxon or Parliamentary model (DFID, 2004, p: 1).

Figure 2: Public Sector Accountability Arrangement



Source: Office of Auditor General Brochure, Lesotho, *2006.*

According to the Lesotho Constitution Section 59, the accountability relationship between the Legislature and the Executive is such that the former oversees the activities of the Executive. The Executive is obliged to give an account on implementation of the budget appropriations. The Parliamentary centre (2001, p: 5) indicates that "Parliament is a vital democratic institution serving as a bridge between state and society by carrying out its legislative oversight and representative functions in a way that strengthens good governance for effective accountability". The main issue in this relationship is provision of information by the Executive to facilitate legislative scrutiny and giving feedback to the executive for improvement or sanctions. This also assists the Legislature in making decisions on the annual budget appropriations.

Although most parliaments, SAIs and government ministries in Africa have the legal mandates, the processes and procedures for effecting accountability and transparency in place, availability and functioning of these differ from country to country. The constitutional frameworks largely determine this, mandates, political environment, technical capacity and the procedures engaged by the different countries (Krafchik and Wehner, 1998 in Wehner, 2004, pp: 8-9).

2.2.1 Accountability of government ministries

The government ministries and department are obliged to implement policies through programmes and projects using funds allocated by Parliament. Following the budget implementation they should report to parliament on how the budget has been executed. The budget implementation is governed by a set of financial management legal frameworks. In Lesotho these include the Finance Order 1988, Financial Regulations of 1973. These also guide parliament in assessing performance of the ministries. Other legal frameworks are on the code of ethics and conduct and these guides the civil servants on how to behave in the process of executing programmes and projects.

Accountability requires the ministries to provide Parliament with information on the use of public funds and other resources as well as on compliance with procedures, systems, rules and regulations with subsequent achievement of objectives. Pivotal to this is availability of information that is accurate, relevant, reliable, sufficient and time bound. This information should enable Parliament to make analysis and action oriented conclusions on government conduct hence decision making for the subsequent financial year.

Internal Audit is one of the most important aspects in ensuring accurate and timely information in the way resources are being utilized to implement policies. The internal control and auditing functions are an integral part of a sound financial management system and are crucial in preventing fraud and detecting error in the financial management system (ADB, 2006, p: 9; Diamond, 2002, p: 3). Moreover, through internal control, public institutions are able to develop and maintain reliable financial and management information. This information is disclosed through timely reporting (INTOSAI, 2001, p: 5). The presence of internal control within government ministries therefore improves financial reporting and performance (Diamond, 2002, p: 4). He asserts that according to the international best practice, in-house internal audit functions are a prerequisite in all the ministries "to concentrate on high risk and priority areas". And the Finance Order requires receipt, recording and reporting of expenditure (Finance Order, 1988, p: 6). This information is essential for ensuring transparency and should be of good quality and available and accessible (Mohiddin, 2006, p: 28).

In order for the ministries to efficiently perform their duties, adequate capacity in terms of personnel, skill, equipment and information is essential in ensuring accountability and transparency. These should be well managed for them to add value to the performance of the ministries.

2.2.2 The Legislative scrutiny of the budget outcomes

Legislative scrutiny of public financial management in Lesotho, like many African countries, is a constitutional requirement. In carrying out the oversight role, Parliament through its various portfolio committees examines the budget proposals from the ministries. It also scrutinizes the budget outcomes emanating from implementation of the budget. For instance, finance and budget committee may look at the proposals and make changes if necessary, and the Ministerial and the Public Accounts Committees (PAC) scrutinize the findings from audit reports (Wehner, 2002, p:4; Alders, 2006, p:6).

In Lesotho, the Public Accounts Committee Order 1972 established the Public Accounts Committee (PAC) to undertake the scrutiny of audit findings on performance of the ministries. It is required to "examine public accounts showing that the appropriations of sums granted by Parliament to meet public expenditure and such other accounts as are laid on the table of the House". Apart form the PAC there is the Budget and Finance committee.

Scrutinising the audit findings involves summoning of Chief Accounting Officers (CAOs) from government ministries and departments to appear before it for questioning to justify expenditure mismanagement. At the PAC hearings the Auditor General and staff are present to provide the necessary influence and expertise, and the Accountant General and staff gives clarification on financial matters. Following the questioning, the committee makes recommendations on the basis of the evidence obtained from accounting officers. The Accountant General prepares a memorandum on the basis of committee's recommendations, and this is used for monitoring the implementation of these recommendations.

Parliament also requires a research capacity to conduct information search from time to time from the ministries and the constituencies. In order to reinforce and complement the work of the researchers, think tanks, academics and private sector specialists may be used to give input.

Following the PAC hearings, a report on the deliberations of PAC hearings is presented before parliament where criticism of the ministries would be made. This was to allow opposition to pose questions and make criticisms and for ministers to give justifications thus holding the executive accountable.

The execution of the oversight role of Parliament by OAG brings about a mutual dependence between the PAC and OAG. This requires that for the PAC to be effective, high quality audit reports from OAG should be provided, whereas the OAG depends on the effectiveness of PAC in enforcing implementation of audit recommendations by government institutions (Wehner, 2004, p: 12; Krafchick, 2003, p: 11; Wang and Rakner, 2005, p: 2). PAC requires a mechanism that will be applied to follow-up the audit recommendations. This should also include measures to apply and enforce penalties for financial mismanagement.

Once audit findings and recommendations have been presented there should be indication of how these will be implemented and how implementation will be enforced. When the audit findings and the resulting PAC recommendations have been presented ministries should indicate how these would be implemented and informed on how implementation will be monitored.

2.2.3 Public sector auditing

The parliamentary oversight function has been conferred to the audit institutions and in Lesotho the Office of the Auditor General in the Supreme Audit Institute (SAI). The office is constitutionally established, independent and not subjected to the direction or control of parliament or the executive. The Lesotho SAI mandate is provided for in Section 117 of the Lesotho Constitution Section 5 and the Audit Act No 12 of 1973. These give the Auditor General the power to examine all the necessary accounts relating to the Consolidated Fund and other public funds and ascertain whether such reports are properly kept and that money has been expended for intended purposes (Audit Act, 1973, p: 222). Auditing of annual accounts should be completed within ninety days of receipt of the Public Accounts from the Accountant General, as stipulated by Section 6 of the Audit Act (Audit Act, 1973, p: 222). On completion of the audits of annual accounts AG produces a report to parliament expressing an opinion on the state of the financial accounts. This could be qualified, unqualified or disclaimer opinion depending on the status of accounts presented by the Accountant General.

The tabling of the audit reports before parliament is a constitutional requirement in most countries. This differs from country to country whereby the Auditor General reports can be tabled directly to Parliament by the AG or through the Minister of Finance. In Lesotho this is the responsibility of the Minister responsible for Finance, whereas in other countries such as Malawi and Uganda, AG tables the report directly to parliament (Wang and Rakner, 2005, p: 2). By conducting audits, the SAI promotes accountability and transparency within the civil service.

Most constitutions in different countries allow for the independence of the SAIs, and boundaries for coverage of audits are explicitly stipulated. The office of the Auditor General has the authority to demand access without hindrance to all public records of the ministries and department as well as parastatal organisations. This is important as it enables effective auditing of sensitive or high-risk areas including the financial accounts that have elements of corruption and highest levels of public office.

SAIs are required by the Constitution to produce and publish reports in order to provide Parliament with an independent opinion on the financial performance of the public institutions. Audit reports are to be published timorously lest the contents are taken over by events. Disclosure of audit reports through the press is essential and acts as a deterrent to corruption and fraudulent practices, it is therefore imperative for SAIs to hold press release and press conferences through media and other communication channels (Alders, 2006, p:8). Hedman and Olofsdotter (2007, p: 24) argue, "Media coverage can become effective tool both as a means of raising attention on certain topics, and also on how the SAI itself is valued and regarded".

The audit report is the primary source of information on accountability and a tool that promotes transparency. Through the audit report SAIs should provide high quality information to Parliament. This requires staff with skill and competence of the highest quality. According to International Organisation of Supreme Audit Institutions (INTOSAI) standards, paragraph 85 and 86 INTOSAI Auditing Standards (2001, p: 6). "Competence of staff, duties and responsibilities of SAI are crucial to public accountability therefore SAIs must apply to its audit methodologies and practices of the highest quality"

The audit institutions are mandated with audit investigative powers and the scope of these mandates differ from Supreme Audit Institution (SAI)[5] to SAI. For instance, others have the sufficient legal provisions for prosecution while some still have inadequate

[5] Supreme Audit Institute (SAI) refers to the office of the Auditor Generals also referred to Court of Audits in some countries. SAI will be used interchangeably with OAG.

investigative powers such as that of not questioning the policy of government but its effects (Alders, 2006, p: 5; Wehner, 2002, p: 4). Nonetheless, for those SAIs whose mandates enable full investigative power, it is essential that they work together with other investigation and prosecution organisations within the government such as the Courts of Law and the Police.

2.3 Summary

Public accountability is about the executive obligation to account on conduct to Parliament as representing the public. Specifically government's conduct is on policy implementation through programmes and projects and has to account on the use of public resources in the implementation of the budget. This accountability arrangement is such that Parliament being responsible for government accountability in accordance with the Constitution oversees performance of the executive in regard to budget process and its outcome. This oversight role has been conferred to the audit institutions. These are responsible for promoting accountability through audits and reporting to Parliament. The information obtained from the government is valuable as it helps Parliament to assess conduct and be able to hold the executive accountable.

This section has presented the manner in which accountability arrangement operates and in this case involves Parliament (PAC), OAG and the Ministries. Any weaknesses in any one actor poses a threat to the whole arrangement. The arrangement is governed by the legal frameworks that guide the activities of each actor in the relationship, the responsibilities in regard to accountability and transparency, processes and systems involved for each as well as capacity requirements for each.

2.4 Challenges of accountability

Despite the establishment of the existing accountability arrangement comprising of Parliament, SAI, the executive, reinforced by the constitutional backing and other legal frameworks, there is lack of accountability and transparency within the Lesotho civil service. Varying factors within the ministries reflects this and departments as revealed by the audit reports and parliamentary debates. These factors relate to the following issues; information supply by the ministries, legislative scrutiny by PAC, implementation of the recommendations of the AG and PAC and follow-up and sanctions mechanisms. As a result, weak accountability and transparency is in conflict with the constitutional requirements on the right to information on conduct of the executive.

The OAG (2002, pp: 70-80) indicated that there is lack of accountability on funds amounting to M11, 921,237.00[6] from Ministry of Health and Social Welfare (MOHSW) and Ministry of Education and Training (MOET) that had most losses on cash, stores and accidents, unaccounted revenue, and unauthorized expenditure. The implication is that public resources are not safeguarded as evident from unauthorized expenditures, omissions, missing funds and other assets indicative of the general non-adherence to the rule of law by public servants. Cameron (2004, p.60) asserts that "the clearest accountability imperative is adherence to the rule of law...the greatest uncertainties and conflict are created by the administrative environment and its demands that are not clearly related to the legal framework applying to the public services including any guidelines derived from particular statutes". This results in huge loss of public funds and other resources as mirrored in poor service delivery in the ministries. It therefore requires a robust Parliament that will ensure fiscal prudence and enhance public accountability.

The success of accountability and transparency rests on the availability of information and ensuring that those charged with responsibility are open about their conduct. Ryan and Mack (2007, p: 134) argue that "access to information in a form that allows users to gauge whether the objectives of the organisation are being achieved and to assess its performance is an essential pillar of accountability". According to Schacter's model of accountability, obtaining quality information about government activities is of paramount importance for accountability and transparency (Schacter, 2001, p: 136).

The annual report being the source of information on performance of the ministries and departments is not accorded the same weight by all the public sector organisations. Even

[6] (M) Stands for Maluti the local currency in Lesotho where M10 is equivalent to R10 (ten rand).

the ministries who are supposed to implement its recommendations ignore it. The tendency is for the ministries, and other report users to disregard most of the reports because of the content that is too technical and detailed for people to comprehend. Simplifying reports allow understanding of information contained therein and the subsequent use of it in a way that will add value. This will also enhance Parliamentary decisions making having fully comprehended the reports.

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The challenge is therefore in obtaining quality information that can be of value to its users. In order to achieve this, audit institution have to solicit information needs of users of the audit report for relevance purposes (Chowdhury, 2005, p: 894). However, this is always inadequate and therefore crippling effort to obtain quality information.

2.4.1 Inadequate accountability information

Information supply for accountability assessment in the ministries is always not adequate due to the following; poor record keeping of financial and other related documents, deliberate hiding of information and delayed financial statements. Other causes outside the ministries include; withholding of audit reports and not tabling them before parliament and the absence of a research capacity for Parliament.

2.4.1.1 Poor record keeping

Although it's mandatory for the ministries to make information on financial management and the overall performance available to parliament, this is not always available due to poor record keeping and weak information technology systems (Wang and Rakner, 2005, p: 3). This in Lesotho is reflected in AG's reports that always express disclaimer certificate due to non-compliance with the legislation and omissions and lack of substantiating records (OAG 2002, p: 3 and OAG, 2003, p: 4). While the work of internal auditors could rescue the situation, they are not always well established in ministries or if they exist they are too weak to ensure that there is always information readily available for other users especially the external auditors. Most audit institutions experience problems of obtaining credible information as in most cases is not available, not well presented to ease access or not accurate.

2.4.1.2 Availability and accessibility of information

Government officials have the tendency to deliberately withhold information from the users. They prefer gate keeping of information for the sake of self-empowerment (Dixon *et al*, 1998, p: 165). According to Stiglitz 1998 (in Florini, 1999, p: 3) "Even when a government institution would find it in its interest to be transparent, individuals…prefer secrecy, to cover up incompetence, to protect opportunities for rent-seeking, or simply to avoid the bother of public scrutiny". Denying users access to data relevant to accountability contravenes the legal requirements governing accountability arrangement. For instance, denying parliament or auditors' information contravenes the Constitution and other Audit Act. Moreover, this is information that is necessary for Parliament to assess the Executive's performance, so that they can make informed decision on improving accountability and efficiency. Without adequate information, assessing accountability becomes futile, and the oversight function is also weakened.

2.4.1.3 Presentation of annual accounts

The literature on financial management in countries like Tanzania, Malawi, Uganda and Lesotho reveal that ministries did not submit the annual accounts for auditing on the stipulated statutory time. As a result AG and staff always run into difficulties in accessing the necessary information and documentation so that national audit report can be completed on time (Wang and Rakner, 2005, p: 3). Failure to submit accounts on time constrains OAG's from preparing audit reports on time. The statutory national financial reporting deadlines are therefore not always met. This diminishes the practical relevance of audit reports in the budget and financial management process and does not prevent possible embezzlement of public funds by public officers.

Moreover, Wang and Rakner (2005, p: 3) cites as examples countries such as Tanzania, Malawi and Uganda where "Reports are habitually delayed". In most cases "these could be so late to the extent that they become irrelevant in the budget preparation for the next eighteen months or more after year end". This results in submission of the reports to the CAOs or the ministries late making the contents of the report obsolete. The Legislative scrutiny of government expenditure is therefore more often than not done on past events rather than on current issues. Although in some cases implementation of recommendations of the previous reports would not have been done making the issue of obsoleteness a mere lame excuse.

These information obstacles hinder portrayal of the true picture of government's budget implementation. The information is also not sufficient to enable PAC to make a fair assessment of government conduct as already indicated. The quality of information may therefore be questionable and influence the quality of feedback given to the ministries. But most importantly effective accountability and transparency are impeded.

Since obtaining quality information requires both concerted effort from the ministries and the audit institutions, on the part of these institutions highly skilled auditors are required to obtain high quality information and be able to present it for the users benefit. However, obtaining and retaining this skill is a challenge for most SAIs. Due to recruitment and remuneration policies within which they operate which subject them to civil service conditions of service and recruitment procedures.

While Constitutions in different countries provide for the independence of the SAIs, in reality they are not fully independent. For instance, in Lesotho, the recruitment policy by Public Service Commission (PSC) prevents AG from determining standards in terms of the quality of professional qualification of staff**.** The policy restricts auditors' qualification to accounting only and yet the SAIs have transformed to respond to the auditing demands of the profession hence, requiring a skill mix to ensure competence in obtaining, analyzing and presenting or reporting information on accountability (Ogunyemi, 2006, p: 16). The modern day auditing requires more than just auditing skills, auditors need to also have expertise in the scarce audit techniques such as forensic auditing and Information and Technology auditing which are normally weak due to lack of specialized training in most of the African countries (Anti-corruption Handbook, undated, p: 5). This compromises the quality of audits conducted hence that of the information contained in the audit reports produced.

In addition to this, the Lesotho SAI like other SAIs in Africa are also limited in terms of financial resources as they depend on the Ministry of Finance for budgetary and financial matters. For instance, the remuneration packages and conditions of service and other logistics such as transport matters are still not within the AG‘s control. AG fails to maintain staff due to turnover as people opt for more lucrative positions in the private sector which according to (Krafchick, 2003, p: 11) results in shortages of resources and skilled personnel in most SAIs. This erodes the skill base that could be accumulated for credible information gathering and presentation to users.

While the (INTOSAI) standards paragraphs 85 and 86 require that "Competence of staff…methodologies and practices of the highest quality" (INTOSAI, 2001, p: 6), the lack of independence impede SAIs to obtain the right and adequate competences. This coupled with lack of other resources makes obtaining and presentation of high quality information an ideal for Lesotho SAI and this is also true for most SAIs in Africa (Wang and Rakner, 2005, p: 1).

2.4.2 Summary

Information is a major element of accountability and transparency, without this transparency is weakened. Lack of information can be due to poor record keeping where there is improper recording of activities and transaction leading to unavailability of such information. Information is also not easily accessible and delays in submitting this for audits delays the legislative scrutiny. The ministries by not making information available in adequate quality and quantity hinder transparency and deny stakeholders insight into the use of public resources. These information deficiency challenges weaken accountability and transparency.

2.5 Scrutinising the budget outcomes

The legislative scrutiny can only happen if the audit reports can be availed to Parliament and chief accounting officers called in to account. The effectiveness of this depends on the scrutinizing bodies to make analysis that will enable action-oriented conclusions to make government be accountable.

2.5.1 Tabling of audit reports

The tabling of reports through the Minister of Finance has proved to be limiting the independence of some SAIs. Examples of countries like Tanzania and Lesotho have experiences of audit reports withheld and not tabled before Parliament on time or indefinitely. The implication is that the information contained in the report will not be used on time to assess accountability of the executive and above all the public will not be informed about the use of public resources defeating transparency. Krafchik (2003, p: 11) argues, "AGs encounter problems in building effective oversight institutions due to political problems including inadequate independence or poor cooperation from the executive".

Withholding reports compromises the independence of the SAI and this confirms that notion that "the executive may exert undue influence on the SAI reporting". This may be a reflection of executive's unwillingness to reveal certain information that may jeopardize their position. As Bolton (2003, p: 24) notes "the executive lacks incentives to share information with Parliament, especially if that information reflects poorly on their performance". This indicates that the executive can be deceitful, wanting something and doing something to the contrary. Instead of supporting programme implementation and ensuring that the budget implementation tallies with activities carried out, efforts towards achieving this are sabotaged. Krafchik (2003, p: 11) believes that "while effecting institutional change in public finance management demands technical expertise, it also requires a political approach".

Timely scrutiny of reports is crucial as it facilitates timely publication and implementation of the recommendations and publication on time. Nevertheless, PAC scrutiny is sometimes constrained by late submission of audit findings by AGs still catching up on backlog. For instance, in Lesotho the Accountant General did not prepare the annual accounts for the years 1996/97 to 2000/2001 for submission to OAG for audit. According to the Audit Report 2003 (2004, p: 13) these resulted "in non-accountability of parliamentary budgetary appropriations amounting to M13, 881,064,831 and M11, 049,818,572 in respect of Capital and Recurrent Expenditure as well as Recurrent Revenue respectively". Delaying the scrutiny of these cripples performance of the scrutinizing bodies and renders these accounts obsolete.

2.5.2 Questioning of chief accounting officer

The summoning of accounting officers questioning during the committees' hearings is considered by some Legislatures as inadequate. The view is that the executive should also account before the committees. While this has been triggered a lot of controversy the feeling is that summoning the CAO's only may be limiting as some of the activities would have been executed under Minister's orders. Now for the fact that the accounting officers (the Principal Secretaries) are political appointees they may not want to respond in a way that may jeopardize their positions and therefore execute what the minister orders and therefore the proposition that ministers should also be called to account. According to (Alders, 2006, p: 6) a research that was carried out on the "Pivotal Role of PAC" in different countries revealed that 31% of PAC's summoned the ministers for questioning although some feel the administrative head should be answerable to the financial and administrative mismanagement.

Although the committees involvement in the budget process seem to be growing in Africa, for instance Zambia and Uganda have established new committees to consider the budget related matters; not all the committees participate in the scrutiny of the budget implementation outcomes, only the PAC does (Wang and Rakner, 2005, p.3; Wehner, 2004, p: 13). This limits interaction between PAC and other parliamentary portfolio committees. This limits sharing of subject relevant expertise in the scrutiny, as the PAC may not have expertise in all the government's programme activities. Moreover, members do not gain knowledge on performance in respective ministries and departments. In addition, if audit reports are subjected to PAC scrutiny alone, they do not get enough attention that could assist in reinforcing the process of accountability and transparency (Alders, 2006, p: 5).

2.5.3 Parliamentary research capacity

The work of parliamentary research capacity is seen to be crucial in assisting the scrutinizing bodies with information. However, most legislatures in Africa do not have research capacity to the search and inform the respective parliamentary committees. Alders asserts that the absence of a dedicated research capacity makes Parliament entirely dependent on AG's reports and limits independent expert analysis (Alders, 2006, p: 6). According to Wang and Rakner (2005, p: 3) parliamentary committees complain that "their access to budget research capacity is negligible or non-existent and that there are no special budget researchers attached to parliaments of many African countries such as Zambia and Namibia". This limits the committees' scope of knowledge on budget implementation and ability to effectively scrutinise the audit findings on the basis of a more informed scrutinizing body. These shortcomings in scrutiny of the audit findings poses a set back on the quality of feedback to be given to the executive to improve accountability and transparency mechanisms.

Other challenges to these committees include; lack of resources, for instance in Malawi government funds are provided for plenary sessions only; lack of prerequisite skills, career prospects and pecuniary benefits are not sufficient to attract high caliber parliamentary support staff.

2.5.4 Publishing of audit reports

The challenge in promoting and ensuring transparency relates to delay in publishing the audit reports. There is lack of media and civil society involvement in making information accessible to the public and creating a platform for scrutinizing government's performance. This impedes participation and therefore transparency.

2.6 Summary

Tabling of reports through ministers although the effectiveness of the other options was not established hampers the legislative scrutiny. While summoning of CAOs is essential, summoning ministers differs from country to country. Not summoning ministers limits information on account, as CAOs may not have justifications for having carried out directives of ministers. Involvement of other Portfolio committees reinforces the scrutiny of reports and improves accountability and transparency through credible feedback given to the ministries. Lack of research capacity compounds the problem. Inadequate resources such as funds and skill also affect scrutiny.

Action on accountability information is also reinforced by media and CSO intervention however these are weak in influencing the executive. Where it's influential there are prospects for accountability. Lack of media and CSO involvement undermines participation that is a constitutional right.

2.7 Eliciting the executive response

Although the CAOs are expected to respond in writing on how they intend to implement the recommendations of AG as well as the resolutions as highlighted by the PAC following the legislative scrutiny, the response rate is low and irregular. Response from the ministries is crucial to the PAC and AG as it reflects the executive ability to deal with concerns and problems of implementation will be identified and ministries assisted in advance (Alders, 2006, p: 9). The implication is that ministries eventually do not implement. Follow–up could also help but it seems the mechanisms are also weak.

2.7.1 Implementation of the audit recommendations

Although implementation of recommendations is mandatory, ministries and departments do not implement the recommendations on time and some do not implement at all. The literature reveals some of the explanations for poor implementation of recommendations to include the following; some CAOs do not take them seriously claiming that they are obsolete, some deliberately ignore them, inadequate capacity, overwhelming growing demands from society, lack of skilled personnel, perpetuating corruption due to monopoly of public service encouraging unethical behaviour, lack of social responsibility and lack of political will. According to Alders (2006, p: 10) "the resolutions are not accorded the priority deserved or are ignored due to the weak mechanisms for effective follow-up on implementation".

Failure to implement the recommendations results in similar year on year recommendations are indicative that very little if anything is done to improve the situation in the ministries. Wang and Rakner (2005, p: 3) confirms this and indicate that "the same problems are repeated in the reports year after year underscoring lack of enforcement mechanisms and incentives to impose sanctions, rendering 30-40 % of the process of auditing a cosmetic exercise".

Timely implementation of the recommendations is important as this will address insufficiencies uncovered in the internal controls mechanisms or misuse, loopholes within the existing legal framework or other discrepancies or malpractices on time (Anti-Corruption Handbook, p: 9). This will improve accountability and transparency mechanisms and improve efficiency as well as add value to the process of audit.

2.7.2 Follow-up mechanisms

The mutual dependence that audit institutions will produce quality reports and Parliament will ensure implementation of recommendations of the report by the ministries is not fully realised. There is no follow up made on the implementation as revealed by similar year on year recommendations. This is despite the power of the PAC to impose sanctions to enhance implementation. As Alders indicted PAC makes good action oriented resolutions for accountability, but do not follow them through to ensure implementation. According to a report on (Bondera, 1997, p: 6) “reports are means for securing beneficial change and improved systems of accounting, but functions of PAC to follow these reports have been relegated to the extent that audit reports and recommendations have not been effective”.

As Borge notes most SAIs still lack these follow-up mechanisms and deficiencies in regard to conduct of ministries are not addressed (Borge, 2001, p: 3). Without monitoring the ministries and ensuring that they conform to the recommendation of the PAC the oversight role is compromised. Monitoring and follow-up of audit findings are important and as research indicates, if audit queries and recommendations are not followed up by Parliament and acted on by the Executive branch, the control over public funds becomes less effective (Stapenhurst and Titsworth, 2001, p: 4). Some Parliaments still do not have such an implementation committee to ensure that recommendations adopted by the House are followed up with Chief Accounting Officers to ascertain implementation as recommended. While in such cases other portfolio committees take charge where there are none the situation is not dealt with.

2.8 Summary

Following the legislative scrutiny of the audit findings ministries are expected to implement the recommendations. However, ministries do not implement the recommendations due to weak follow-up mechanisms. While the audit institutions are also mandated to follow up the ministries, doing that becomes a futile exercise as there legal framework does not allow them to enforce implementation should the ministries fail to implement. As a result, accountability and transparency continue to weaken within the ministries.

2.9 Other factors for weak accountability and transparency

2.9.1 Weak internal controls

The existence of an Internal Audit Department has not assisted the ministries in putting their financial management system in order and the centralized nature of the function exacerbates the problem. According to ADB (2006, p: 25) the function is the "weakest and least established and there are no established system of internal control and no specific policies and legal framework governing the function within the financial management structure of government. As a result the financial management system is susceptible to fraud and wrongdoing as reflected in the Auditor General's audit reports. The challenge as in the case of external auditors is finding well-kept records in ministries and departments for auditing purposes. This therefore increases external auditors work, as the internal auditors do not do the pre-audits.

2.9.2 Diversity of governance issues

The diverse governance issues government needs to address including issues of accountability and transparency coupled with the ever-changing societal demands makes it cumbersome for ministries to focus on the crucial aspects (Grindle, 2004, pp: 13-14). Grindle asserts that "unfortunately the long and ever increasing governance agenda means that for any given country a multitude of governance reforms are being undertaken at the same time supported by a plethora of donors…low capacity to carry out commitments to put political, administrative, financial houses in better order". So while government officials are perceived to be devious and corrupt in performing their duties, the scope of issues to be dealt with is also too wide and yet lacks capacity in terms personnel, information, finance, technology and skills. And this could perhaps be the breeding ground for unethical behavior, as people require service, yet the capacity is low leading to bribes for speedy service. Lack of accountability and inefficiency emerge this way and this defeats effort to the whole process of good governance; which Nze and Nkamnebe (2003, p: 281) argue, "Undermines good governance and engenders corruption"

The government by virtue of being the main service provider is in charge of huge amount of resources at their disposal and they are a monopoly in the provision of public goods and services such as education and health, order and security. The likelihood of engaging in unethical behavior in the provision of these goods is high. Although efforts such as making officials disclose assets and receipt of gifts as well as in the tendering procedures and in the other processes in general, emphasis has been on deterring corrupt practices by officials who accept bribes without doing enough on the individuals and business companies who offer inducements to commit corruption (Langtry, 2005, p: 4). Efforts have been taken by some countries Lesotho included to address this and mechanisms such as the Public Finance Management have been adopted to ensure sound financial management, transparency and accountability of government ministries and departments.

2.9.3 Executive response

The executive continues to engage in unethical practices and they lack social responsibility (Langtry, 2005, pp: 13-14). This is evident from perpetually corrupt political elites and other bureaucrats that use public funds for self-advancement as indicated by (Dixon *et al,* 1998, p: 165) who argues that they are deceitful, dishonest and make and implement decisions for self-interest. Efforts to improve performance prove to be futile due to the violation of the ethical principles of accountability and transparency. Van Gansberghe (2005, p: 1) argues that “without ethical environment, law will never be properly applied, and the legal framework will be for show”. It is imperative therefore that these officials practice morality and that good governance institutions become instrumental in enhancing good governance principles. This could also be strengthened through a more robust legislature and of diligent constitutional institutions (Langtry, 2005, p: 13).

2.9.4 Donor intervention

Private financing of government activities by external donors is a challenge that weakens accountability and transparency. The tendency is for donor agencies to bring their own priorities and preferences and therefore disrupting the existing government’s policy priorities (Cameron, 2004, pp: 64-65). Wehner (2004, p: 13) argues that "in poor countries legislatures often face constraints of their room to maneuver due to high levels of foreign debt then international financial institutions attach stringent conditions to loan, parliament's role might be severely diminished to rubberstamps budget than to reflect on prior agreements between lenders and executive".

2.9.5 Summary

The wide scope of government activity makes it cumbersome for ministries to efficiently cover and this coupled with weak controls promotes inefficiency, corruption and total disregard of the rule of law. This is compounded by the influence from the donor community with programmes with conditions and disrupting the already existing programmes of government. The end result is a civil service full of bureaucrats and politicians, who are dishonest, engage in unethical practices and lacking social responsibility. Accountability and transparency principles are ignored and the civil service has turned into a breeding ground for corruption hampering efficiency hence, service delivery.

CHAPTER THREE

3. Research methodology

The methodological approach followed in this research is a qualitative research design. Data collection methods include interviews, document review and desk research. The analysis of data is through recoding of data in accordance with the levels of accountability, which were also the basis of headings and subheadings. A trend analysis was also engaged to assess the level of accountability and transparency status within the civil service. Finally, the limitations of the research have been discussed.

3.1 Research design

A qualitative research design was chosen because the nature of this research requires opinion based information and a face-to-face interaction that allowed probing with the respondents to obtain reliable and sufficient information. Merrian (2002, p: 3) posits that a qualitative research helps the researcher to understand and give meaning to a situation. This design therefore enabled the researcher to understand the nature of accountability and transparency existent and the challenges that arose thereof.

In order to obtain information for the research, a purposeful or convenience sample of twenty three respondents was drawn from Public Accounts Committee (PAC), Office of the Auditor General (OAG), three ministries namely; the Ministry of Local Government, Ministry of Communications, Science and technology and Ministry of Education and Training. The use of convenience sampling was used to allow for the selection of the most knowledgeable respondents on the problem being investigated which Patton in (Merrian, 2002, p: 12) noted were "information-rich" people. Since questioning people about issues of accountability and transparency may be sensitive to some people especially when malpractices have been identified, the researcher selected the respondents who were known to be positive and willing to provide constructive information. This approach was based on the researcher's experience in dealing with the ministries as well as finding out from other auditors and members of the PAC involved in the assessment of ministries' performance.

In order to minimize the bias that may arise from convenience sampling, the researcher requested assistance from the OAG and PAC in selecting ministries included in the sample. Moreover, the researcher asked similar questions to all the respondents for verification of information obtained from the different respondents.

The criteria used for selecting the sample was by selecting the people in charge of the institutions such as the CAO, Chairperson (PAC), Auditor General (OAG) and three to four persons from the senior and/or middle management levels and the Financial Controller(s).

The researcher used quantified responses from qualitative interviews to establish certain trends and patterns in data on challenges for accountability and transparency. This was meant to reinforce validity of data based on trends in interviews. The researcher used triangulation in order to in order to found/ground the credibility of qualitative analyses through validity and reliability of data. This was important because it involves using more than one method both within-method or between-method strategies and therefore minimises the intrinsic biases. Quantitative independent data such as the World Bank governance assessment was also used to assess validity of data produced in research, Moreover, more of quantitative responses were used in the presentation of ministerial monthly status and annual statements to establish the annual trends. This is useful in helping in the establishment of the credibility of the qualitative point being made.

3.2 Data collection

Data for this research was collected through primary and secondary methods, where interviews, document review and Internet search were conducted.

3.2.1 Interviews

A semi-structured interview guide was used to collect data from the respondents from the three ministries, PAC, OAG, TRC and DPE. The interview guide presented information relating to challenges with regard to the mandates, procedures and systems as well as capacity available for effecting accountability and transparency. Engaging face-to-face encounter with the respondents in this manner allowed the researcher to probe and make other judgments crucial for improving the quality of information (Terre Blanche and Durrheim, 2002, p: 281). Moreover, the information facilitated insight and understanding of the processes and more importantly the challenges within the accountability and transparency processes and therefore, useful in giving responses to the research questions and research problem.

3.2.2 Document review

Review is made on relevant documents such as legal documents and reports from OAG, PAC, and the ministries. Other useful documents were obtained from the National University of Lesotho, Ministry of Finance and Development Planning and Lesotho government website and the internet. Information from documents was useful in complementing the interviews and facilitates reliability and validity of information obtained from respondents. Sharan (2002, p: 13) notes that the advantage of document review is that "it does not intrude upon or alter setting in ways that the presence of the investigator might, nor are they being dependent upon the whims of human being whose cooperation is essential".

3.3 Data analysis

Analysis of data was done concurrently with data collection to establish an understanding of the challenges encountered in effecting accountability and transparency mechanisms. This was useful because it enabled the necessary alterations and fine-tuning of some questions to make them relevant to the research questions (Sharan 2002, p: 14). The advantage of simultaneous data collection and analysis is that it helps in improving the research as opposed to when it would be done at the end of the research. As a result the emerging patterns of information were established in advance and groupings in relation to the questions made (Sharan, 2002, p: 14). Data was coded for assessing the key points. Since a similar interview guide was used to collect data from the different sources including the ministries, PAC and Supreme Audit Institute (SAI), Civil Society

Organisations (CSO), a comparison was made amongst the sources to assess the reliability and accuracy of data. This comparison was also done with data obtained from the documents. Information was then categorized into the three major levels of accountability namely; information, action and response. Patterns of key points on the legal framework, procedures and systems and capacity for accountability were related to the categories that responded to the research questions; and subsequently the problem of weak accountability and transparency mechanisms were identified.

3.4 Procedure

A letter obtained from the Faculty of Commerce Law and Management of Wits University was used for introductory and communicating the purpose of the research. This letter was submitted to management of PAC, OAG, three ministries, the two NGOs, and was followed by appointments in preparation for interviews with the relevant people in these organizations.

3.5 Research Limitations

The researcher experienced problem of obtaining the sample ministries until two other ministries were approached and entry was given on time. Later on, one of the sample ministries that had delayed giving access finally responded making the sample size of three ministries instead of two originally sampled. The two NGOs namely; Transformation Resource Centre (TRC) and Development for Peace Education (DPE) were not included in the sample due to the fact that the roles of the civil society and the media are beyond the scope of this research. Getting appointments confirmed was another major constrain amongst the CAOs and some Directors who were always busy. This prolonged and frustrated the research considering that there was a time factor to take heed of.

Most of the respondents especially below the level of CAO did not freely give information as they felt could get into trouble due to the sensitivity of the subject investigated. Although the researcher assured them of anonymity and confidentiality of information provided, some respondents were clearly very uncomfortable. This could have somewhat affected the accuracy and reliability of information provided despite efforts to make them comfortable. The researcher is an employee of OAG and therefore, could have had bias that could have distorted the reliability and accuracy of data. However, the researcher consulted a wide array of literature sources on the subject to help obtain an objective perspective.

The production of audit reports in the country is inconsistent, as a result a trend of concerns raised was difficult to assess, as there were no audit reports produced in some years. Likewise the PAC reports available were for two sets of accounts audited since 1993 being 1993/94 produced in 1999 those for 2001/2002 produced in 2006. In order to obtain information, more intensive interviews were embarked upon to assess what has actually been the situation with regard to the financial management throughout the years so as to reinforce information obtained from the reports. Inspections reports from OAG were also used to obtain some information as OAG carries out the inspections annually.

In order to address the issue of bias in the reports and other documents used in this research, the researcher consulted a wide spectrum of related literature. This was meant to minimise the element of bias from the reports writers' perspectives and inclination towards certain perceptions on the financial management hence accountability and transparency in Lesotho civil service. Consulting literature and minimising bias enhance validity and reliability of data collected.

CHAPTER FOUR

4. Presentation of the results

This chapter presents the results of the study. Tables, figures and quotes have been used to illustrate the results, giving them validity and credibility.

4.1 Information

Information is the major ingredient of accountability and its accessibility and availability in good quality and adequate quantity as well as on time is crucial for accountability and transparency to occur.

4.1.1 Availability of information

All the interviewed respondents from the line ministries were conscious of their obligation to report conduct to parliament annually as a constitutional requirement. Responding to the issue of adequacy of information from the ministries, all members of the PAC and OAG felt information from the ministries was inadequate, unreliable, inaccurate and not easily accessible. Some respondents from the ministries agreed with PAC and OAG although with some defense while others acknowledged that information necessary for accountability was not properly recorded and reported. Responses from the one of the ministry and the PAC indicated that “public servants within the ministries including some CAOs are conscious of the need to report honestly, but do not have the will to give full account.

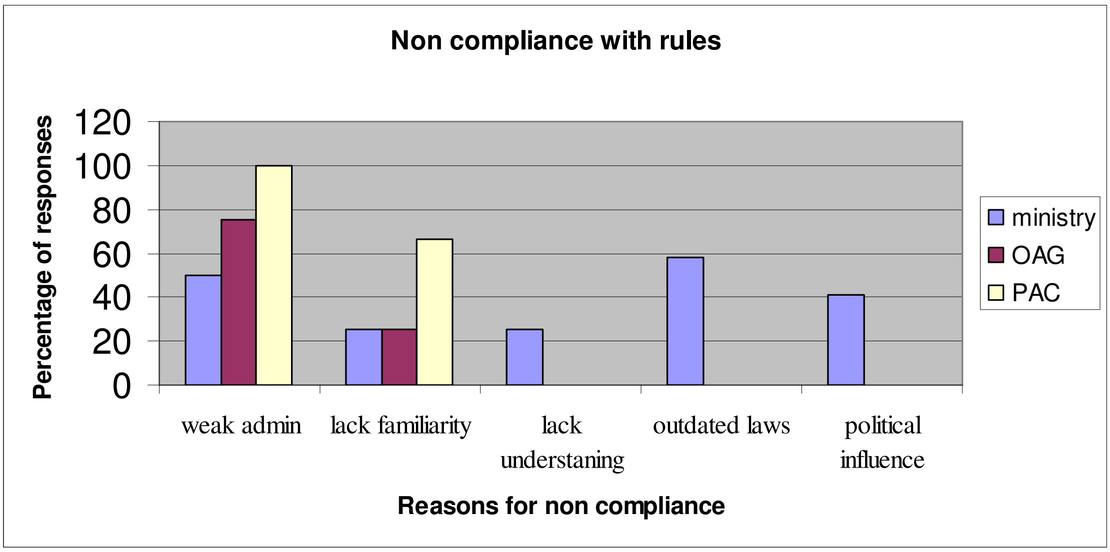
4.1.2 Legal framework

The majority of the respondents indicated that the financial management legal frameworks are in place but ministries did not comply with them. According to one of the Deputy CAOs, “the laws are not adhered to, to pursue own interest and this compromises the law”. When assessing the level of compliance with the financial rules and regulations, Members of PAC indicated that there is some degree of compliance with the financial rules and regulations. Some staff members of the OAG also shared the same view.

On the other hand respondents from the ministries were of the opinion that compliance is fair considering the fact that some of these laws were outdated. Reasons advanced for lack of compliance with financial rules and regulations were as follows; 50%, from the ministries, 75% from OAG and 100% from PAC indicated that it is was attributed to weak administration of the ministries while 25%, 25 % and 66% blame it to lack of familiarity with rules and regulations and 25% % and 66% lack of understanding of the rules. As noted by some members of PAC "chief accounting officers ignore the financial rule and regulations and do not want to abide by them, some do not know about the financial rules and regulations and the related legal frameworks". About 58% of the respondents from the ministries also indicated that the rules and regulations were archaic and obsolete and therefore constraining timely service delivery. Political influence and negligence were also reported to be a contributing part.

On the contrary, 22% of the respondent found the CAOs to be conversant with the rules and regulations and that non-compliance was due to negligence. Majority of the respondents were convinced that CAOs were not serious about administration of the budget hence poor compliance with the financial rules and regulations. The above responses have been illustrated in figure one (1) below.

Figure 3: Presentation of the reasons for non-compliance with rules and regulations by the ministries



The figure illustrates that weak administration of the ministries' activities was considered to be the main impediment. For instance, all the respondents from PAC and OAG were of the opinion that information was inadequate because of poor management of the finances. Moreover, as lack of political will to see to it that there was efficient and effective implementation of the budget that translate into meeting public demands was also reported to be an impediment towards achievement of accountability and transparency. As one of the directors indicated "there is lack of political will on the part of the CAOs who are not exemplary, but force expenditure which is not in accordance with the regulations".

Apart from incomprehension of rules and regulations, there is also a culture of unwillingness to abide by the financial rules and regulations and deliberately ignoring them. Some of the reason(s) put against this were that the rules and regulations were archaic and obsolete and therefore constraining timely service delivery. And that due to political pressure for performance some civil servants sometimes sidelined rules and regulations in an effort to deliver and meet the objectives; a matter which some thought more important than trying to follow the rules and end up delaying service delivery as long as one would be able to account.

4.1.3 Procedure and systems

The financial management procedures and systems exist even though they were not followed. Reasons for not following the financial procedures in budget execution as revealed by 16% of the respondents from the ministries was that, bureaucratic red tape delayed service delivery in some instances, and so officers sometimes did not follow procedures to the letter in order to speed up service delivery. About 25% of the respondents attributed failure to follow the procedure to negligence and 25% were of the view that it was human error and corruption that resulted in non-compliance. About 33% of the respondents indicated that giving of directives by the Minister to the CAO or the

CAO to Directors and Financial Controllers to incur certain expenditures aggravated non - adherence to the procedures.

These weaknesses triggered low adherence to procedures and systems in financial management. This manifested in weak internal control and information systems, rendering information recording and reporting inadequate. According to 56% of the respondents the financial management system is weak, while about 28% indicated that it is highly centralized. On the other hand, about 16% of the respondents were of the view that the financial management system is not delineating some activities resulting in overlapping responsibilities that in turn adversely affect recording and reporting of information. As some of the directors posited "bureaucracy delays things to happen as expected and yet there is political pressure to perform, so public servants rush through work without due care" While most respondents from OAG and PAC attributed failure to follow the procedure to negligence and corruption, respondents in the ministries were of the view that human error and corruption were the causes of non-compliance with these procedures and systems.

Some interviews revealed that some of the CAOs were reluctant to assume responsibility for public finance expenditure and passing this to the finance staff within the ministries; as they claim financial matters were the responsibility of the financial controllers. They therefore did not take full responsibility to ensure that they were well safeguarded and properly utilized. In the process some of these tool advantage and misuse of funds emerged. Some respondents also indicated "finance officers did not report to the CAOs on how they expended funds".

4.1.4 Capacity within the ministries

In order for the ministries to execute the budget, adequate capacity is necessary to enable them to perform efficiently. However, interviews with respondents revealed that capacity in terms of skill, number of staff, and technology hampered effective budget implementation hence availability of credible information for accountability. While 62% of respondents from ministries felt skill, number of staff and technology were inadequate, 26% felt if was adequate but needs to be well managed for efficiency and accountability. On the other hand 12% were of the view that although skills were lacking this is not always the case. Most of the time there is technological equipment, but needs people to be trained on the use of such technology. The issue of numbers was addressed as once positions fell vacant they were immediately filled, although this was refuted by some of the respondents.

4.1.5 Accessibility of information

Transparency requires accessibility of information and so the question of accessibility of information from the ministries was asked and the following the three categories were used with responses as follow; 66% of other employees within the ministries posit that information is easily accessible although 25% mostly chief accounting officers disagree with this indicating that it is not easily accessible. All members of PAC and 75% from OAG share CAOs view. 8% of respondents from the ministries believe that information is not always easily accessible however was availed when requested, while 25% from OAG agreed believe that information is not always easily accessible however when requested it is availed with those of the ministries however disputed that fact that it was always availed when needed. PAC members also refute this.

Table 2: Accessibility of information

	PAC	OAG	Ministries
Easily accessible	-	-	66
Not easily accessible	100	75	25
Not always easily accessible	-	25	8

According to interviews with some managers in the ministries, the problem of accessibility was compounded by the fact that, some officers did not disclose information deliberately and the auditors could not spot some of this information because of skills deficit in areas such as forensic auditing. As indicated by one of the financial controllers "people are afraid to reveal this information for fear that they may lose their jobs".

Furthermore, one of the respondents from the ministries pointed out that "auditors' lack of skill in forensic audit and being more of conformists make them incompetent because conformity may not mean competence".

4.1.6 Quality of information

The quality of information from the ministries is vitally important as it enables informed decisions on the budget preparation for the following years. When asked for an opinion on the quality of information generated from the ministries two categories credible and not credible were used and the responses as follows; all the PAC members felt it was not credible while 50% of OAG noted it was credible and 50% found it not credible. 83% of the respondents from the ministries posited that it was credible and 16% were viewed it as not credible.

4.1.7 Quantity of information

The quantity of information for accountability is also important as it gives a full picture on the use of financial and other resources making the information sufficient for decision-making. 41% of respondents from the ministries say its sufficient while 41% including some of the CAOs and directors is not always sufficient. All respondents from PAC and OAG and 16% from the ministries noted that information was always insufficient rendering the accuracy and availability of information weak hence transparency.

4.1.8 Timely submission of information

On the question of timely submission of the needed information on accountability such as monthly status reports hence financial statements and other related reports for audit the respondents from the ministries including some CAOs were not aware of the late submission, whereas some financial controllers were aware that they were sometimes submitted late. This view was shared by all OAG and PAC respondents adding that even when statements were submitted on time they were incomplete and had to be returned to the Accountant General. PAC and OAG noted that there were years when the financial statements were not availed for audit at all. OAG members found this as one of the main impediments to audit indicating that "due to carelessness by the ministries accounts are not produced and submitted for audit on time, and the Audit Act was silent on what should be done when accounts are submitted late".

4.2 Assessment of information

Information from the ministries is assessed through audit of activities of the ministries. This is preparation for production of an audit report to be submitted to PAC being the main audience for the audit findings. Good quality audit reports are therefore of vital importance for assessing accountability of the executive. This enables effectiveness of PAC and facilitates informed decisions making on the budget outcomes. To produce quality report AG needs a mandate, independence and resources that enables him or her to carry out the mandate efficiently and effectively.

4.2.1 OAG Mandate

When asked whether the mandate for the Office of the Auditor General enables the office to obtain information for quality reports these were the responses; 16% from ministries indicated that it was enabling, none from PAC and OAG felt it was enabling audit activities. However, most of the respondents from the ministries, OAG and PAC found the Audit Act not adequately enabling AG to pursue the mandate efficiently while a some respondents from the ministries found it adequate.

4.2.2 Independence of OAG

Respondents were asked whether in their opinion Auditor General was independent and whether there were factors limiting the independence of AG. In their responses all the respondents indicated that the AG's independence is limited by the executive interference, while all except ministries found lack of support from parliament and the executive limiting. Furthermore, all indicated OAG had limited resource hindering performance of duty, and believed inconsistency and submission of incomplete annual accounts adversely affected AG's independence. The table shows that majority of the respondents felt AG was not fully independent.

Table 3: Factors limiting AG's independence

	Executive interference	Lack of support	Limited resources	Incomplete annual accounts
PAC	Yes	Yes	Yes	Yes
OAG	Yes	Yes	Yes	Yes
Ministries	Yes	-	Yes	Yes

4.2.3. OAG Capacity

Adequate resources for OAG are important for ensuring that credible information is obtained and a good quality report produced. According to members of OAG the office is faced with skill and staff shortages hindering it to obtain all the information from the ministries. According to some auditors "training of auditors focuses on auditing and not soft skill such as communication and presentation of the information". Staff shortage was also echoed by all the members of PAC and 33% of the respondents from the ministries. Members of the OAG also highlighted inadequacy of other resources such as vehicles and equipment. This hampers OAG from obtaining all the information and as such transparency is compromised due to unavailability of some accountability information

4.2.4 Quality of audit reports

Asked to comment of the quality of the audit reports using a very good to very poor scale, the majority of the respondents were of the opinion that these are good, and some of the members of PAC feel could be better if it was not for shortcomings from the ministries. Most of the staff from the ministries including the CAOs found the quality of audit reports to be good, while 25% indicate were too technical and therefore difficult to understand. As noted by some auditors "due to the technicality of the training offered to auditors which stresses less on soft skills such as communication, the quality of working papers and audit reports are not satisfactory". Other felt were fair and could be better if AG was accorded the necessary support from parliament and the executive.

4.3 Scrutiny of audit findings

This allows for explanations and justification for expenditure mismanagement.
Analysis is important as it facilitates accountability though posing of questions and having open debates that further enhance the process of accountability.

4.3.1 PAC analysis of budget outcomes

Audit findings serve as a basis for posing questions to the Chief accounting officers and witnesses. The effectiveness of this depends on PAC ability to pose relevant questions and making an evaluation of the explanations and justifications provided. The majority felt that most member of PAC were able to engage in some credible critical analysis, although some including the PAC members indicated that they were not fully equipped to effectively critique the CAOs due to poor accounting skills, although this had improved with time and training.

4.3.2 Open debates

Open debates are necessary for improving accountability and involving the media and civil society are of paramount importance as it complements the scrutiny of the executive. Majority believe participation of media in PAC hearings is nonexistent because there are no adequate measures taken to publicize the audit report and engage the public in the contents of the report. PAC scrutiny does not involve the public and /or civil society and media in its hearings and explanation given by PAC was that they wanted to create an environment that would encourage officers to speak more freely and give justifications and explanations without fear. Furthermore, AG does not hold press conferences when the audit report is issued and this also hinders public from questioning and criticizing the government for poor performance. Lack of civil society and media involvement limits public participation.

4.3.3 PAC Capacity

Adequate resources such as researchers, skilled personnel, adequate equipment and facilities such as a well-equipped library enhance the work of PAC. However, all the PAC members interviewed were concerned with inadequate resources and facilities asserting that capacity of skill were not adequate as some of the members were not conversant with accounts and the library was poorly equipped, the recording machine used during the hearings old and dysfunctional. Moreover, parliament did not have a formal research capacity to reinforce its analysis of the budget outcomes. PAC lack of researchers coupled with skill deficit and ill equipped library limits expert judgement on the performance of the ministries. 25% of OAG and 25% of the ministries confirmed this scenario.

4.3.4 Application of Sanctions

All the respondents acknowledged that appropriate sanctions or penalties were applied for financial mismanagement; however ministries did not enforce these. The media, the AG and DCEO reported about government officers who used public resources for self and engaged in fraudulent and corrupt practices. The members of PAC felt that while the culprits were punished, in some government ministries, no serious measures were taken to enforce discipline and punishment. According to 83% of the respondents it is only when punitive measures were enforced that officials would change their behavior, but for the fact that they know nothing will be done and if it’s done it will be insignificant or inappropriate to the offence committed financial mismanagement continues.

4.4 Response to the PAC Recommendations

Accountability requires that taking corrective measures where the ministries were not performing as expected and give account on the improvements made to Parliament.

Crucial at this stage is PAC's ability to elicit the executive to respond to the recommendations made.

4.4.1 Implementation

All the PAC and OAG respondents were of the view that the response rate of the ministries that implement the recommendations is low. All PAC and OAG felt the rate at which the recommendations were implemented in the ministries was low while some staff except for some CAOs indicated that the recommendations were implemented. On the contrary, these CAOs acknowledged that implementation is not satisfactory due to pressures of work. Majority of the respondents generally think the rate of implementation of recommendations by the ministries is low. About 78% of the respondents felt that the executive did not take AG's reports seriously, and Parliament was not doing enough to ensure that they received the reports for scrutiny. One of the directors reported that "government makes the AG produce audit reports but does not say anything if reports are not produced for years because they lack interest" Another observation made from the OAG was that "CAOs did not know their work and do not implement recommendations despite several reminders from PAC and OAG".

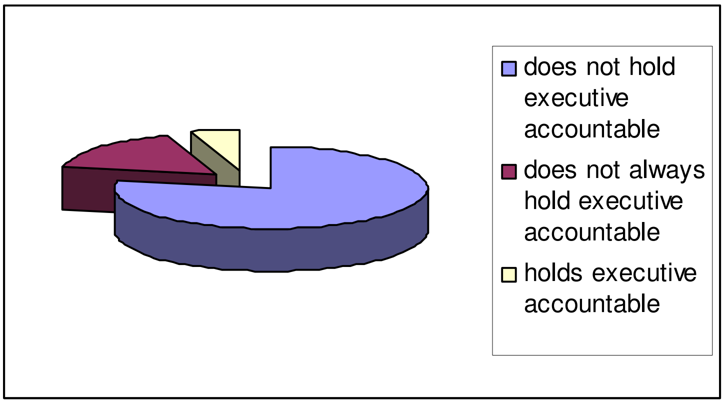
Interviews with members of the PAC, OAG and ministries revealed different responses on the relationship between PAC and the executive. For instance, 56% felt that PAC worked cooperatively with the executive although there was hostility at the beginning of their sittings. While 20% indicated that they sometimes worked well and sometimes not, 34% asserted the executive was not cooperative at all and CAOs were partisan during PAC hearings, hence political arrogance during implementation.

4.4.2 Follow-up mechanisms

The respondents were asked to express an opinion on the follow-up mechanisms by PAC and OAG, and 75% agree that follow-up mechanisms were weak. However, 25% of respondents from the ministries disagreed with the fact that follow up mechanisms were ineffective. Nevertheless the overwhelming majority of the respondents found the follow-up mechanisms to be weak and as the members of the PAC acknowledged, "we have no formal follow-up mechanisms, but follow things up with those public servants that we are close to"

In responding to a question of whether Parliament was able to hold the executive accountable, there were mixed responses including 78% who said Parliament does not hold the executive accountable, and 17% who felt it does not always hold the executive accountable and 5% believed it holds the executive accountable.

Figure 4: Parliaments ability to hold executive accountable



The respondents were also asked to comment on the relationship between Parliament and the executive. Interviews with members of the PAC, OAG and ministries, TRC and DEP revealed that 56% felt that PAC worked cooperatively with the executive although there was some hostility in the beginning. While 20% indicated that they sometimes worked well and sometimes not, 33% asserted the executive was not cooperative at all and some CAOs were partisan during the PAC hearings. This became problematic as other "political bodies that form part of the PAC sometimes pursue their political agenda".

CHAPTER FIVE

5. Discussion of the research findings

This chapter presents the findings from the research on challenges of accountability and transparency. The findings are presented and discussed under three subtopics following the three stages of the Accountability cycle by Schacter being *information* available for accountability, *action* taken by PAC and other stakeholders with accountability information from the ministries and *response* elicited from the ministries/executive by the PAC. The issues of mandate and other relevant legal frameworks, the procedures and systems as well as capacity within the PAC, OAG and the ministries, as the basis for assessment will be discussed in relation to information flow, action and response thus illuminating the challenges.

5.1 Accountability and transparency challenges

The challenges of accountability and transparency in the Lesotho Civil Service can be looked at from two perspectives that Schater asserts are purposes of accountability. These are the political perspective where Parliament guards against the executive to minimize the abuse of political power; and the operational perspective where it oversees the operations of government to ensure that they are efficient and effective (Schacter, 2001, p: 135). The operational perspective is greatly influenced by the political power of the incumbent political regime, although there are other influential aspects that can affect the efficiency and effectiveness of government such as the work culture of public institutions.

According to Schater (2001, p: 136) “accountability occurs within a context and this could comprise the negative attitude of the political leaders and bureaucrats towards accountability; and insufficient high level commitment to robust public sector accountability”. Depending on the attitude and commitment of political leadership in particular, accountability can be strong or weak. In Lesotho, accountability remains a key challenge facing good governance (Akokpari, 2000 in Mapetla and Petlane, 2007, p:

151). One of the limiting factors to accountability of the civil service is seen to be political influence. This has to a greater extent determined the way government conducts its business.

While it is acceptable that government's role, objectives, and policies hence priorities, programmes and resource allocation are fundamentally political, government needs to realise that executing policies involved budget utilization that has to be executed economically, efficiently and effectively. As Ajam (undated) indicates, "it may be impossible and undesirable to remove political influence from the budget and its execution". This is due to the fact that government, by virtue of being policy implementers, will always be part of the budget execution. What is important for government is to be able to strike a balance between political interests and budget execution.

On the contrary, as evident from governance discourse, most governments in Africa abuse political power to derail policy implementation and so distort the financial management of the budget. This has also been evident from public dissatisfaction on service delivery culminating into a general lack of confidence on the Lesotho government as media reflects public dissatisfaction on service delivery and demand for accountability and transparency. According to Ajam (undated, p: 1) "Political expediency may promote unproductive capital investment, with the result that sector budget become permanently distorted from the allocations consistent with implementing policy priorities".

From a survey that was conducted on the three sample ministries, there was a general view that political interference in the work of the ministries adversely affected accountability hence, transparency, within the civil service. PAC and OAG also shared the same view. Most of the respondents from the ministries were of the opinion that if they were left to do their work in accordance with the stipulated laws, regulations and procedures they would probably be more accountable than was the case. But because of being governed through orders and directives from the authorities, be it from the minister

or the CAO, a lot of activities carried out are not in conformity with the laws and procedures and there is no record for most activities.
On the other hand, some of the respondents argued that civil servants were to blame for lack of accountability and transparency as they were unskilled and corrupt. The implication is that both management and the subordinate employees contribute towards weak accountability. Politics appear to be paramount in influencing budget execution in government. This finding is in line with Ajam (undated, p: 1) who argued that the challenge for most governments, Lesotho included, has been is "to manage the interface between budgeting and politics, and this has resulted in strong political participation and weak fiscal responsibility". The findings indicate that Lesotho government tends not to separate business of government with party interests, which may not be in the interest of the majority. The result of this is inefficiency, weak accountability and transparency.

A conclusion that may be drawn from the discussion above is that political influence affects the manner in which activities are executed in Lesotho civil service. This may partly explain why there are unauthorized excess expenditures, mispostings and misallocations and poor records of activities, which eventually lead to insufficient, inaccurate and unreliable information on the implementation of the budget. Political power weakens accountability and negatively affects the operational aspects that in turn constrain accountability and transparency. However, there are also operational aspects independent of the political aspects that hinder accountability and these are discussed in the sections below. Focus is on the operational side of accountability, and the interface with the political side is highlighted in the discussion.

5.1.1 Availability of information for accountability

Accountability requires the ministries to provide parliament with accurate, relevant, reliable, sufficient and time bound information on the use of public funds and other resources as well as on compliance with procedures, systems, rules and regulations with subsequent achievement of objectives. The review of OAG annual reports show that information from the ministries was/is often insufficient, inaccurate, submitted late and generally unreliable. For instance, some of the deficiencies include: unavailability of substantiating documents, omissions, misallocations, mispostings, late submission of financial status reports and financial statements. As a result AG could therefore not express an opinion on the financial status of the country on the sets of accounts audited.

Unavailability of information contravened Section 112 of the Constitution and the Finance Order that required receipt, recording and reporting of expenditure and revenue (Finance Order, 1988, p: 6). Moreover, according to PAC and OAG members, Parliament was constrained in making credible analysis and action oriented conclusions on government conduct hence decision making for the subsequent financial year.

Although PAC relies more on audit findings for information, through their hearings from CAOs and informal research observed inadequacy in information on accountability from the ministries. PAC (2006, p: 48) show that there are no records and where records are available, they are patchy, poorly kept and cannot be relied upon. The implication is that there is poor generation and capturing of accountability data and record keeping in the ministries and as a result AG and PAC rendered the records unsatisfactory and not susceptible to auditing.

The fact that all the respondents from the line ministries were aware of their obligation to report performance to parliament annually as per the Lesotho constitutional requirement is indication of consciousness and knowledge of what was expected of them with regard to accountability and transparency. However, reporting of information was not done earnestly and some CAOs and other officers were unable and unwilling to give full account. This renders measures for ensuring accountability and transparency weak.

According to PAC members, many CAOs could not fully account for the use of unauthorized expenditure excess funds and mispostings among others (PAC, 2006, p: 50). For instance, CAOs and witnesses could not give convincing justification for financial mismanagement and did not have supporting documents that could not be produced even after the hearings. This implies that although CAOs and staff were aware of their obligation on information requirement, they did not take serious measures to ensure availability and accessibility of such information, making sure that information was properly recorded and accessible to users. This is in conflict with Ryan and Mack (2007, p: 134) who asserts that essential pillar for accountability is information accessibility as it enables information for the legislature for assessing performance of the ministries.

Similarly, deliberately avoided disclosing information because they are already aware of misconduct and violation of Section 112 of the Lesotho Constitution and Finance Order impeded information accessibility hence transparency. This problem was aggravated by the fact that auditors could not spot some of this information due to skill deficit in this area that required forensic auditing. Information is therefore not easily accessible from the ministries although this varies from one ministry to the other. Inadequate and not credible information on the budget execution hinders the quality of legislative scrutiny, weakens accountability and transparency. Moreover, defying parts of these legal frameworks renders the legal system weak and yet it is the basis of order without which accountability and transparency will not be achieved.

A general feeling that weak administration of the ministries' activities was the main impediment of information recording and reporting hence its availability and accessibility demands greater commitment on the part of the CAOs. This requires strong and committed leadership of the ministries. However, the fact that there was a lack of political will on the part of leadership to see to it that there was efficient and effective implementation of the budget that translate into meeting public demands puts accountability and transparency into jeopardy.

On the contrary, while some respondents were of the view that public officers took effort to record and report information on the financial management and other related activities, others felt the financial system had loopholes that hindered effective recording and reporting on information. Lack of information was compounded by accounts officers' lack of skill in handling financial matters hence poor recording and reporting. While it may be true that the system is faulty and there is lack of skill, one may argue that it is the job of the management to address these issues. Management needs to ensure that systems are operating efficiently and if there are loopholes are addressed legally; and that staff is trained to perform efficiently. Without proper management of the work of accounts staff and other officers, and instituting effective internal controls within the ministries, effective systems and adequate skills may not guarantee availability of credible information.

Weak administration and management of the ministries were reflected in non-compliance with the financial rules, regulations, procedures and systems; incomprehension of rules and regulations especially those that govern public finances and other public assets; inadequate skill in financial management; negligence in budget implementation and CAOs shedding off responsibility of financial management to the finance officers within the ministries; as well as lack of enforcement of discipline and code of conduct by management.

5.1.2 Weak Administration of the Ministries

The notion that weak administration of the activities of the ministries impedes availability of information is based on the assumption that; if the processes and procedures of ensuring budget implementation were efficiently managed, there would be compliance with financial rules and regulations, systems and procedures. Malpractices and irregularities such as unauthorized expenditures, mispostings and omissions would be spotted in advance and corrective measures duly applied.

Moreover, the activities and transactions would be properly recorded and information repositories developed to make sure that all the information was explicit and could be easily accessed by the users such as auditors and parliamentarians. Without proper management of activities and the relevant measures to facilitate execution, it would not only be difficult to have information for accountability, but it would also be impossible to make it accessible to the users for transparency. Accountability and transparency would therefore be severely compromised. This is in line with Cameron (2004, p: 60) who asserts "the greatest uncertainties and conflict are created by the administrative environment and its demands that are not clearly related to the legal framework applying to the public services including any guidelines derived from particular statutes". Indeed the legal frameworks are there to regulate activities and these should be administered and managed in order to enhance accountability within the ministries.

5.1.2.1 Civil service accountability legal framework

Accountability of the Executive to Parliament is a constitutional requirement and the budget implementation is governed by a set of legal frameworks. While the government may be applauded for having the legal frameworks in place, the line ministries did not adhere to these in the budget implementation. This was evident from unauthorized excess expenditure, mispostings and misallocations, omissions, non-reconciliation of accounts with treasury and opening of accounts with banks without authority from the Accountant General (OAG, 2003, p: 2; PAC, 2006, p: 48). For instance, considering the 2003 Audit Report[7] these were identified in the sample ministries although the same concerns were also raised in other ministries as well.

The continued existence of the above anomalies as was indicated by AG inability to audit the financial statements for financial year 2004/05 because of among other things incompleteness and non-reconciliation of accounts is indication that financial record keeping in the ministries is far from improving. This finding supports Henderson (2007, p: 6) who shows that "the 2007/08 annual accounts could be expected to be bad due to non-reconciliation and unrealistic closing balances". The implication is that there is an inherent non-conformity with financial regulations that has gone unabated and unaddressed despite audits and Ministry of Finance and Development Planning (MoFDP) efforts to improve the weak financial management system through the financial reform programme (PAC, 2006, p:51). This is also noted by Mapetla et al (2007, p: 87) who

[7] The 2003 Audit Report will be considered to be the only reference point to date as the last audit report (2003/04) was not tabled before Parliament.

notes that although "reforms have been taking place… the financial management of resources has lagged behind". Conformity with rules is mandatory and failure to comply contravenes the rules and regulations. A strong management team would ensure compliance through close supervision, monitoring and enforcing discipline in reporting.

However, inadequate supervision as noted by members of PAC, OAG and ministries is cause for concern. PAC (2006, p: 49) noted "there was no clear leadership and guidance as to what ought to happen, and no clear instructions were given by the CAOs to their accounts staff". The problem was compounded by the fact that the relationship between the ministries and the Treasury did not support sound financial management, as they were not getting proper budgeting guidance.

Lack of familiarity with and incomprehension of the financial laws and regulations by some of the CAOs and other staff resulting in poor application and non-adherence to these rules and regulations crippled availability of information for accountability and transparency. While some CAOs took initiative to compile the crucial laws and regulation for CAOs to use, no visible results have been realised. The problem proved not to be addressed on time because CAOs are normally recruited from outside government and not familiar with the running of government especially the financial accounting of public service. As a result they tended to take time integrating and their immediate contribution to capacity may be limited in the short run (Mapetla *et al*, 2007, p: 155).

Moreover, the CAOs are political appointees and their two – year term in office is short and therefore aggravated the problem of familiarity being in that position for a short period. The short period in office also negatively impacts on continuity within the ministries. Without full knowledge and understanding of the financial rules and regulations, it is difficult to apply the relevant rules and regulations and supervise and monitor the work of the subordinate employees accordingly. The observed incidences of funds misallocation, misappropriation and unauthorized expenditure; and poor recording of transactions and other related activities are therefore partly explained lack of familiarity, resulting from short term tenure for CAOs. A conversant and committed management would address the malpractices, and information would be available for accountability and official would also be encouraged to be transparent in their activities. The view of majority of the respondents on the issue of sidelining or ignoring the rules and regulations under the pretext that they were archaic and obsolete contravenes the principles of accountability as doing that resulted in officers not properly recording transactions if at all.

Emphasizing the importance of quick service delivery and ignoring the importance of accountability through proper record keeping has proven to be a problem for some ministries particularly those that are not performing well. These ministries are often not able to present and this was also where justifications for mismanagement could not be given. These practices were those that Schater asserts were indicative of failing accountability and manifestations of these would be corruption and other unethical practices (Schacter, 2001, p: 135) Non-compliance also creates an environment of dishonesty and lack of integrity and accountability and transparency fail contravening the constitutional requirement. As Van Gansberghe (2005, p.1) noted, "without ethical environment, law will never be properly applied, and the legal framework will be for show".

In addition this view also overlooks the importance of accountability because in most cases some of the ministries that were not complying were not performing well (PAC, 2006, p: 55). Although these were not the only ones, they are part of the ministries that could not give convincing justification for non-performance such as explaining mispostings or misallocations of funds during the PAC hearings (PAC, 2006, p: 55). This nullifies the notion that they could not follow regulations and be able to defend expenditure mismanagement.
The rules and regulations were also ignored because of unskilled personnel resulting from part political favors such as nepotism and spoils, low remuneration resulting in fraud and negligence, notwithstanding the fact that human error also compounded the problem. While it may be difficult to deal with corruption and fraud, tighter controls, close supervision and monitoring of work may curb the magnitude of the problem. Apparently

the ministries did not adequately employ all these factors. PAC indicating that CAOs gave accounts staff ambiguous instructions confirms this; and leadership and guidance is inadequate.

Without proper management, information necessary for accountability and transparency is compromised and therefore impeding availability of information to the stakeholders. And yet as indicated in CGP, availability of information would put the stakeholders in a better position to influence the budget process (ADB, 2006, p: 20). From analysis of the data majority of the respondents were convinced that if the CAOs were dedicated in administering and monitoring the budget execution, the inherent malpractices would be greatly minimized.

5.1.2.2 Procedures and Systems

Accountability is governed by certain rules and regulations and these are complemented by the procedures and systems that promote accountability in the budget implementation. With non-adherence to the financial rules and regulations, procedures and systems used in budget implementation were also not followed in most instances. Unauthorized excess expenditure was evidence that there was non-adherence to the procedures. Following procedures involves recording of activities or transactions and this information is necessary for accountability and if certain activities were skipped recording and reporting information will be flawed. For instance, unauthorized expenditure was seen to be a result of not following the procedure that "authority to spend on certain items must be sought from the Treasury". Failure to follow that procedure violates that procedure hence the financial rules and regulations.

Furthermore, use of funds without the relevant virement being one of the anomalies means that money is expended for unintended purposes, as the virement procedure is not properly followed. Members of the PAC considered the anomalies within the ministries to be a mockery of Parliament's authority, as public officials did not only pay attention to expenditure limits, but knew that the budget ceilings had no meaning in that they could always be exceed without first seeking approval (PAC, 2006, p: 54). In such cases funds ended up not being expended as intended and in some instances not even used for public interest. These were also cases where information lacked, as it would not have been recorded. Following procedures is therefore imperative, as it would minimize misuse of funds and other resources...

5.1.2.3 Directives from authorities

While the issue of not following procedures may be attributed to varying factors such as inadequate knowledge, human error, negligence and at times fraud, one factor that was mentioned over and again was the giving of directives by the authorities to incur expenditure. Some of the respondents indicated that non - adherence to the procedures was aggravated by directives to incur certain expenditures from either the minister to the CAO or from the CAO to directors and financial controllers. For instance, PAC members indicated that under budgeting and expenditure on unbudgeted items appeared to be major problems of the CAOs (PAC, 2006, p: 55). In most cases diversion of funds would not have been budgeted for or execution not in conformity with the rules and procedures of government financial management. While diversion of funds was due to unforeseen expenditure, poor budgeting skill made handling of budget appropriations difficult, making over spending inevitable.

Giving directives could also mean that officers wanted expenditure for self interest, for instance an incidence where one top official used public funds for purchase of official equipment and part of the consignment was to benefit own and a friend (Informative, 2007, October 16). This was however not the only case, using government funds to finance personal transactions and the general view in regard to this was that it could have been revealed to pursue some spiteful political motive. But according to the respondents from the PAC and OAG while there were CAOs who were serious and diligent in their work, there were quite a number of them who were not exemplary and some subordinate employees took advantage of that. As a result planned activities ended up not being executed indicating there were weak linkages between policies, programmes, outcome targets in the planning documents and those funded in the budget (ADB, 2006, p:6).

The tendency was for other subordinate officers to consciously or unconsciously follow suite. For instance, the Directorate for Corruption and Economic Offences (DCEO) reports revealed that about thirty- two (32) cases which were before the courts of law within a period of two to three years. Although some felt that the subordinates were also equally to blame for misconduct, others were of the view that management did not enforce discipline. It could be argued that if the work was closely monitored these would not have gone unnoticed. In other words, they would be picked up during the audits and although not all would be identified as officers manipulated and concealed information and therefore distorting information necessary for accountability. This is a characteristic feature of public institutions which Stiglitz, 1998 (in Florini, 1999, p: 3) argue that they "…prefer secrecy, to cover up incompetence, to protect opportunities for rent-seeking, or simply to avoid the bother of public scrutiny". A vigilant management would institute tight internal controls, discipline and integrity in the budget implementation, so that information for accountability may be efficiently generated and that officers were transparent about conduct.

5.1.2.4 Financial management system

Accountability requires a well-designed financial management system that supports and promotes accountability and transparency. Weak and highly centralized financial management system makes promoting accountability and transparency difficult despite government's efforts to improve financial management through the (IFMIS)[8], the old system GOLFIS[9] was still being largely used. The old system was condemned for being outdated and slow and government budget had increased enormously requiring a more advanced system that is not even used effectively. Not much has been achieved in terms of operationalising the new system, and yet there is political pressure for better financial

[8] Integrated Financial Management Information System is a new financial management system introduced in 2006 to replace the outdated GOLFIS.
[9] Government of Lesotho Financial Information System is an old financial management system used before the adoption of IFMIS

management and service delivery. Moreover, the old system is highly centralized as it is controlled from the central government. The new system is meant to address the issue of system centralization. Fiscal decentralization has not been achieved as result information on accountability is compromised.

The financial management system's failure to delineate some activities also resulted in overlapping responsibilities impeding recording of all activities and transactions in the budget execution. For instance, one common complaint was that of vehicle hire and maintenance where the system required that when ministries have hired a vehicle, the vehicle dealer should submit the invoice straight to the Treasury department. This would be done and Ministries would not receive information on that from Treasury on time and by the time it did ministries would have spent all the funds and that expenditure on vehicle hire would cause over expenditure. This reflects the shortcomings in the financial system and ineffective communication between the Treasury (MoFDP) and the line ministries. This also disrupted recording of information. Instances such as these need a committed and vigilant management to pick these problems up and put up efficient and effective measures to curb them.

5.1.2.5 Internal control within the ministries

A sound financial management system requires an internal audit function within all government ministries to prevent fraud, detect error in the system as well as ensuring availability of information and timely reporting (INTOSAI, 2001, p: 2). While there is an internal audit unit based in the Ministry of Finance and Development Planning - the parent ministry, the function is very weak in the ministries due to its highly centralized nature. Monitoring of the daily activities of the ministries by the unit is seldom and ad hoc. The internal audit units were the weakest and least established…in the financial management structure of GoL (ADB, 2006, p: 9). Considering the results of the audit reports, it seems to be no surprise therefore that the financial management system is characterized by year on year over expenditure, mispostings, omissions and fraud. The absence of internal audit units within the ministries compounded the problem of compliance and information availability, which as argued by Diamond, its presence would improve financial reporting and performance (Diamond, 2002, p: 4).

5.1.2.6 Inadequate capacity within the ministries

The increasing government budget requires personnel with requisite skills and qualifications to operate and manage it efficiently. However, reported finance staff shortage makes it cumbersome to deal with large budget appropriations engaged in the execution of the budget. Moreover, skills deficit of finance staff hinders handling of finances as well as producing financial information. Low remuneration also aggravated the problem of mishandling finances, which often results in unethical behaviour of using government funds for personal use. Capacity problems were said to be the cause of incidences of errors, omissions and misappropriations in the accounts as well as poor recording of information perpetuated throughout the years.

For instance, the returning of 2004/05 government annual accounts due to incompleteness reflects deficiencies in staff shortages and skill deficit in the ministries. To this extent some of the auditors were doubtful that the preceding accounts would be different due to the misstated opening balances. Henderson (2007, p: 6) reflecting on the same years accounts observed that "there is little prospects that previous problems will have been resolved and both years financial statements will be difficult to audit due to underlying problems". There is that likelihood of having misstated opening balances for the following financial years.

Apart from inadequacy of skills in financial matters, some CAOs were negligent and did not follow up on appropriations. On the other hand, accounts officers were also not giving advice to CAOs and did not report how funds were used. In a well-managed financial management scenario these practices would be curtailed as competent CAOs would be employed to manage the ministries and would also engage measures of encouraging other officers to cooperate and enhance production of information.

CAOs reluctance to assume responsibility for public finance expenditure claiming that these were the responsibility of the financial controllers has opened up doors for mismanagement of funds. Failure to not take full responsibility to ensure that funds were well safeguarded and properly utilized further indicates how weak the administration of the ministries was. This partly explains the increasing rate of poorly prepared financial statements and unavailability of information for accountability.

5.1.2.7 Mechanisms for ensuring compliance

Weak measures in enforcing and punishing non-compliance with the procedures aggravate poor financial management, transactions recording and general reporting of information necessary for accountability. Reports about government officers who used public resources for self and engaged in fraudulent and corrupt practices are testimony to this. Members of PAC felt that while the culprits were punished, in some government ministries, no serious measures were taken to enforce discipline and punishment. In some other cases CAOs adopt a protective attitude towards subordinates (Mapetla *et al,* 2007, p: 106). Some members of the PAC and OAG also shared a similar view. Moreover, interviews revealed that even for officers who would have appeared before the courts of law for financial misconduct, some do not end up being reprimanded because of the weak investigations and/or weak judicial system. This was also noted in the Prime Minster's speech indicating that cases took unreasonably too long in the hands of police, prosecutors and courts and so the disposal of disciplinary hearings that involved public servants (Mosisili Speech, 2005, June 20).

Most of the respondents felt that weak punitive measures for financial misconduct encouraged lack of discipline, as officers knew that often there is no punishment against the culprits. This defeats measures of ensuring that activities were executed lawfully and information is recorded accordingly for accountability purposes. Without earnestly enforcing discipline and punitive measures officers lax and perpetuate malpractice. Managing behaviour and monitoring change of such behavior would curtail unprocedural and unethical practices, which would in turn enhance compliance and availability of information. Critiques of weak accountability and transparency in the Lesotho civil service also assert that the prolonged period without assessing accountability makes it difficult for public officers to change behavior. The last qualified annual accounts were in 1979 and this was followed by inconsistency in the auditing of annual accounts and production of audit reports thereof.

5.2 Summary

In sum, while there were mandates and legal framework for budget implementation and those governing the accountability arrangement, these were not being adhered to. This was attributed to weak administration and management of the ministries resulting from lack of familiarity with rules and regulation, lack of skill in financial management, negligence and corruption. These compromised the quality of information necessary for accountability and unavailability and inaccessibility hindered transparency denying insight into the use of public resource to the stakeholders.

Moreover, although procedures for ensuring that information is available for accountability purpose exist, these are not enforced. Some of the functions such as the internal audit which could strengthen the financial management system and hence availability of information are weak, as such the quality of information generated is poor and not easily accessible. Some systems are also deficient rendering availability of information within the ministries difficult, and this requires immediate management attention, which did not happen because they went unabated. It is imperative for government ministries' management to address issues of controls, discipline so as to ensure compliance and integrity within the civil service

5.3 Obtaining accountability information

In order to provide Parliament with credible information SAI should obtain quality information that will enhance credible analysis and action oriented decisions by the PAC. This requires equipping the SAI with the resources to efficiently achieve the expected information requirements. The independence of the SAI is of paramount importance in promoting accountability and transparency of the ministries.

5.3.1 Independence of the Office of the Auditor General

In executing the external audit function, the Auditor General (AG) is immune to any influence or interference of the executive and parliament (OAG, 1973, p: 222). However, the AG in Lesotho is independent in theory, as her independence was practically interfered with by the executive delaying tabling the 2003/04-audit report before parliament as it was alleged that it had mistakes. The audit report was submitted in September 2005 and yet was not made public (Henderson, 2007, p: 4). This is worrisome considering the fact that, the executive is supposed to support efficiency and accountability if it was to efficiently and effectively implement policies. Supporting accountability institutions such as Parliament and OAG in promoting accounability and transparency rather than ignoring the annual audit reports is however not in the interest of the executive. The observation that majority of the respondents made that the executive did not take audit reports seriously is testimony to AG's lack of independence. This also reflects the executive's lack of openness and predictability in their conduct of government processes, which compromises transparency.

This executive behaviour proves Henderson right when asserting that SAIs that could not submit their own reports directly to Parliament and relied upon bodies that they audit for resources (be it financial, logistical or human) could not be independent or credible (Henderson, 2007, p: 2). Moreover, in such cases Bolton argued that the executive did not have any incentives to share information with Parliament, especially if that information revealed poor performance on their part (Bolton, 2003, p: 24). Limited independence of AG hinders its role as a watchdog over financial integrity and credibility of reported information (Dye and Stapenhurst, 1998, p: 4).

5.3.2 Availability of annual accounts

One of the challenges facing OAG was that Accountant General delayed to produce the annual accounts for auditing, and when submitted they were incomplete and not ready for audit. This was evident from the five-year gap from 1996/7 to 2000/01 in which accounts have not been audited. The retuning of 2004/05 annual accounts for lack of opening balances also bear testimony. Inaccurate and unreliable accounts were a result of negligence and poor handling of accounts by the ministries and Treasury department. The audit of accounts is delayed subsequently delaying the production or inconsistency of audit reports hence the legislative scrutiny.

The literature revealed similar experiences that existed in other countries such as Malawi, Uganda and Tanzania. These countries SAIs experienced difficulties in accessing the necessary information and documentation so that the audit report could be completed on time (Wang and Rakner, 2005, p: 3). As a result, the audit were said to be focusing on past events, thus making the information obsolete. In Lesotho this is aggravated by the fact that the Audit Act 1973 is silent on what AG should do when Accountant General fails to submit financial accounts or for when submitting financial information later than the stipulated statutory time. Some authors argue the practical relevance of audit reports in the budget and financial management process are therefore diminished and embezzlement of public funds by public officers cannot be prevented (Ogunyemi, 2006, p: 16, and Wang and Rakner, 2005, p: 3).

While it was evident that Parliament had requested that these be dealt with, this has not been done. Similarly, the Executive turned a blind eye on this. This indicates that there is no commitment to accountability because if the accountant general does not produce the accounts no one sees to it that they are produced and audited. This proves Schacter right when pointing out that accountability does not happen unless government allows it (Schacter, 2001, p: 136). And for the fact that the Audit Act is silent in this regard hinders AG from enforcing submission of the accounts.

In cases where the annual accounts were produced, their credibility is questionable due to incompleteness. Consequently, the last PAC report on consolidated accounts was for the years 2001/02 and was only made a public document in 2006 (Mapetla *et al*, 2007, p: 108). As Henderson (2007, p: 4) asserted the "Financial reporting and audit of the public finances is in crisis and the situation is deteriorating rapidly". This weakens the audit function and hampers transparency due to information unavailability and inaccessibility, as well as denying public the insight into government use of public resources.

5.3.3 Accessibility of information

In order to promote transparency, information should be available to the SAI for auditing. However, some employees from ministries consider SAI to be policing and not promoting accountability and transparency and therefore service delivery. According to some auditors one major obstacle AG encounters is information hoard by the ministries. Members of PAC also highlighted a similar experience. Hiding information from the auditors contravenes the Audit Act and Constitution and compromises the parliamentary oversight function. Poor information production from the ministries results in accountability information not always reflecting the true picture of financial management within the civil service. As a result, there is no credible information to enable judgement of performance of different government ministries.

5.3.4 Inadequate capacity in the Office of the Auditor General

The basis of parliamentary oversight is the audit report, however, inadequate information from the ministries weakened the quality of information for audit hence the audit findings. The auditors need to be competent in obtaining credible information from the ministries it was, however, not always easy to detect all the deficiencies in the use of public resources by the ministries. Although this might be a result of inadequate information on the part of the ministries, auditors had some skills deficits in other areas of accounts such as trading accounts and deposit accounts. Some of these accounts tended to be more complex as they were commercially based on accrual accounts and followed international auditing and reporting standards which required different auditing skills than were available in-house (Henderson, 2007, p: 3, and Ogunyemi, 2006, p: 16).

Effective auditing is also reinforced with competent staff performing duties with integrity and credibility. International Organisation of Supreme Audit Institutions (INTOSAI, 2001, p: 46) indicates that "Competence of staff duties and responsibilities of SAI are crucial to public accountability therefore SAIs must apply to its audit methodologies and practices of the highest quality".

With the use of technology in capturing data on accounts and increase in financial mismanagement in some of the ministries, OAG required upgrading skills of auditors in computer auditing and forensic auditing which were crucial in modern day auditing (Ogunyemi, 2006, p: 16). Although SAI undertakes a range of audit training courses for its staff, this tens to focus more on the technical side (auditing) and not on soft skills such as communication and reporting. This somewhat weakened the quality of reports. Furthermore, there was no follow-up on training acquired to assess relevance to work; and whether staff was able to plough back the knowledge gained to improve the performance hence the quality of reports. In addition, the audit reports were too technical and detailed for people to comprehend resulting in users disregarding them. OAG acknowledged this and although this was not reflected in the reports they were however trying to simplify them. It is imperative to solicit information needs of users of the audit report for relevance purposes; simplifying the reports would be beneficial to the users and this will add value to the information obtained (Chowdhury, 2005, p: 894)

Staff turnover as one of the major threats of OAG weakened conduct of audits in the ministries. This office is required to train new staff all the time as skilled auditors leave the office for better paying jobs outside civil service. The restrictive government recruitment policy limiting auditors' qualification to accounting only limits expertise and competence of the OAG. This is especially so considering that SAIs have transformed to respond to the auditing demands of the profession by having a skill mix to ensure competence in obtaining, analyzing and reporting information (Ogunyemi, 2006, p: 16). This compromised the quality of audits undertaken.

Staff shortage limited the audit coverage because not all the ministries were audited. For instance, as AG indicated about 20% of the programmes were audited but even these not all the programmes were audited. The low coverage in audited programmes is in conflict with Audit Act that stipulates that AG should carryout audits of all ministries once a year. Henderson (2007, p: 3) notes this and indicated that AG "adopted a cyclical approach at best and at worst some organisations were not audited at all". This made it difficult for AG to obtain all credible information on accountability from all the government.

Transparency is all about being open about what government does through information dissemination. However, inadequacy of information was in conflict with constitutional requirement on transparency. According to the ADB (2006, p: 20) "ensuring that the public was fully informed and aware of every stage of the budget process gives them a better platform for influencing the budget formulation, implementation, monitoring and evaluation processes". Without information on accountability, the oversight function was extremely compromised and the stakeholders were denied insight into the use of public resource.

5.4 Summary

The SAI is required to obtain information on conduct of ministries and produce a report to be presented before Parliament. This should be quality information to enable action-oriented conclusions in order to improve accounability and transparency. However, OAG is faced with obstacles that hamper obtaining the necessary information efficiently. It lacks independence from the Executive, which impedes the tabling of AG's report before Parliament. OAG's independence is also hampered by dependence on the financial and other resources from the MoFDP. AG cannot obtain the right caliber of staff, even if obtained cannot be retained due to competitive remuneration outside government resulting in high staff turnover. This hampers OAG's capacity to obtain credible information form all the programmes. The Accountant General did not submit annual accounts on time and if on time they were incomplete hence delaying the auditing and scrutiny by PAC. This impedes transparency, as the audit report is the only source of information that PAC can use and for the public to have insight into the operations of government.

5.5 Legislative scrutiny

The parliamentary oversight function requires scrutinising the audit findings reflecting how government has executed the budget appropriated by Parliament. This is achieved through PAC sittings, engaging in open debates and creating a favorable working relationship between the Legislature and the Executive.

5.5.1 PAC hearings

The main issue with regard to legislative scrutiny is action taken on the information provided by AG. This focuses on the effectiveness of the legislature in holding the executive accountable. The legislative scrutiny depends on the PAC's ability to analyse the audit findings and hold the executive responsible for any financial mismanagement. The legislature achieves this by scrutinizing the audit findings and calling in CAOs. Although ideally ministers are to be called for answering questions in relation to expenditure mismanagement only CAOs and their witnesses are called for questioning. While the audit report provides this information for PAC review, this was not credible information due to the deficiencies of the ministries rendering the information inaccurate, insufficient and not time bound.

Moreover, while members of the PAC and OAG felt that there was sufficient time to pose questions and give full explanation and justification on conduct during the hearings; justifications and explanations given by the CAOs for mismanagement of funds were often not convincing and therefore making the information regarding any financial mismanagement inadequate. Sometimes supporting documents on the use of funds and other resources were not availed for PAC reviews, while some were presented long after the reviews were completed. This limits information access to PAC.

Inaccessibility of information coupled with the absence of parliamentary researchers, hindered PAC from complementing the audit findings and strengthening its scrutiny. Relying on AG's report only weakened the credibility of scrutiny. Furthermore, parliamentary scrutiny was also limited as there were only two committees functioning namely Business Committee and the PAC, and only PAC scrutinised the audit findings. While some critiques argue that it is not adequate for PAC alone to be scrutinising the audit findings as it limits subject relevant expertise from ministerial portfolio committees, others maintain that the reports would not get more attention which could assist in reinforcing the process of accountability.

Moreover, those opposing inclusion of other portfolio committees in the scrutiny of audit findings believed that this might bring pressure on OAG by having reports being used as political ammunition by members of portfolio committees requiring AG to make political judgments in the reports (Alders, 2006, p.6). This might also dilute the strong relationship between OAG and PAC that is essential for promoting and harmonizing the work between the two. The inadequacies in subject relevant expertise coupled with shortcomings emanating from OAG compounded the lack of credibility of information for accountability. It also weakened PAC's ability to make credible action-oriented conclusions and hold the executive accountable.

5.5.2 Open debates

Transparency requires making information on government performance known to all stakeholders to enable them question conduct, and thus holding them accountable. Failure to involve the media and civil society organisations in PAC hearings claiming to create an environment that would encourage officers to speak more freely protects the CAO and witnesses from public assessment, which is crucial in making them accountable. This practice promotes financial mismanagement, as officials know appearing in the media may not shame them. Lack of civil society and media involvement limits public participation. Participation is also hindered by failure for AG to hold press conferences when the audit report is issued. The public ends up not knowing how the government was using their resources.

NGO weakness is compounded by the fact that they were also weak, not well coordinated and united, as a result were not able to engage in a constructive civil society action. The weakness of the NGOs resulted in some of them having affiliations with the ruling party and thereby failing to question the government for poor performance. Some members of the sample NGO felt that "Government used NGOs and they were considered to be a necessary inconvenience" as they were co-opted in some activities but sidelined and looked with suspicion when it was convenient for government to do so. Lack of effective NGO participation impedes sound formulation of expenditure programs and monitoring of government operational efficiency.

Moncrieff (2001, p.21) asserts that lack of civil society and media involvement "undermines the importance of public involvement". Without participation of the public, the constitutional requirement of the right of insight into the use of public resources is contravened. Moreover, this lack of public participation encouraged ignorance of and not taking seriously the PAC's recommendations; as CAOs and witnesses did not appear in public, and yet this was something that would shame them and possibly curtail expenditure mismanagement. As Wehner noted, lack of openness in debates impedes transparency and constrains effective scrutiny of the budget outcomes (Wehner, 2004, p: 3). It is therefore imperative that government has policy interventions that address information asymmetry, as this is important in empowering citizens to hold government accountable.

5.5.3 Legislature - Executive relationship

The checks and balances between the Legislature and the Executive should occur in an environment of mutual understanding and appreciation of each others role, thus cooperating to facilitate achievement of mandates of both parties. However, the relationship was not supporting effective checks and balances to holding the executive accountable. While the environment was such that members of opposition within PAC can pose questions and make criticisms and recommendations without any obstacles despite being the minority, implementation of these recommendations by the executive was very minimal. This implies that although the ruling party members and opposition within PAC cooperated during the hearings, the former did not quite support much of the deliberations from the hearings being the majority and able to influence government to implement recommendations.

On the other hand, in Parliament the opposition was the minority and weak to hold the executive accountable. Furthermore, opposition generally lacks either the muscle to hold politicians and civil servants accountable or do not have access to the means to expose government shortcomings (ADB, 2006. p: 11). This view was also shared by (Mapetla *et al*, 2007, p: 127).

While the work relations between parliament and the executive seemed to be good generally there is indication of lack of cooperation, which is not conducive to promoting accountability. For instance, the partisan behaviour of CAOs during PAC hearings, political arrogance during implementation of PAC recommendations reflects obstacles towards achieving accountability. According to Public accounts committee (2006, p: 49) "CAOs have been uncooperative and maintained an attitude almost political and has nothing to do with their designated role as CAOs". The implication is that the Executive attitude towards PAC recommendations was not supportive, rendering the relationship incompatible with the constitutional requirements.

One may argue that the checks and balances between the two arms of government in Lesotho are ideal, because practically the executive members are also members of parliament and members of the ruling party in particular. And where the opposition is a minority like in the case of Lesotho it becomes very difficult for parliament and PAC to critically question performance of the executive. Moreover, Parliament also depends on the executive by virtue of some of its staff being the responsibility of the executive. This arrangement hindered PAC from effectively putting the executive under scrutiny. As a result the independence of PAC is somewhat compromised. As Wang, and Rakner (2005, p: 3) noted "party discipline and executive dominance seemed to be constraining accountability of parliament".

As indicated by majority of the respondents parliament does not hold the executive accountable. This is in line with the results of a survey undertaken on good governance in Lesotho that revealed majority (64%) of the respondents showing that parliament is not effective in holding the executive accountable (Mapetla *et al*, 2007, p: 126). The fact that parliament is seen to be weak to hold the executive accountable indicate that accountability and transparency are compromised because the relations has to be such that the executive allows for scrutiny of its operations getting an external opinion from parliament. The increasing number of civil servants who believe that parliament does not and cannot hold the executive accountable is a result was said to be due to the decreasing confidence in the Executive by the civil servants. The low levels of confidence are threatening to the government because for it to succeed in being accountable civil service as the executing organs has to be fully on board (Mapetla et al, 2007, p: 153).

5.5.4 Inadequate capacity for Public Accounts Committee

The legislative scrutiny is about PAC's ability and skill to analyse the audit findings and come up with constructive and credible decisions on how to improve accountability, transparency and efficiency. Although some PAC members are conversant with accounting and analysis of accounts there is largely some skill deficiencies in this area. The skills shortage was believed to be due to the fact that PAC is comprised of members of parliament, and some so these members were elected without considering whether they held any professional qualification before they become members of parliament. Mapetla and Petlane (2007, p: 127) indicate that members of the PAC comprised of any members of parliament with no requirement of knowledge of subject matter. While there were some members who were professionals and competent in reviewing the audit findings there were some who needed assistance especially with basic knowledge in accounts.

This assistance was crucial considering the fact that the audit report was technical and although members of PAC were briefed on the contents and AG was present in the hearings to give clarifications, there were members who could not comprehend it and make credible contribution in the scrutiny. Most of the respondents reported good quality analysis of audit findings by the PAC, as they were able to engage in some credible critical analysis, although some including its members felt were not fully equipped to effectively critique the CAOs. This was attributed to poor accounting skills, although this had improved with time through practice and training. This skill deficit affected the quality of debates in the hearings and compromised judgment on conduct.

In addition, skill deficit may also explain delays in completion of PAC reports. For instance, there was late reporting of PAC reports for the financial years 1993/94, which were not made public until 1996, 1994/95 and 1995/96 were not made public until 2001. Audit report for 2002/03 was made public in January 2006 (Henderson, 2007, p: 4, Mapetla *et al*, 2007, p: 105).

There is also a problem of shortage of PAC support staff. This was compounded by the fact that trained personnel often leave for more lucrative jobs and replacement of these take time especially because the appointments and remuneration of these staff is the responsibility of the executive. Loss of trained staff also distorted the training programmes and impeded continuity in training, thus weakening PAC's capacity in terms of staff to perform the oversight role. Furthermore, PAC work was also hindered by inadequate facilitates. For example the voice recording system was in a poor condition, computers were inadequate, there is no office space and the library is outdated with insufficient reading material. Inadequate resources on which the work of PAC depends for its performance negatively impacts on the legislative scrutiny hence accountability and transparency.

5.6 Summary

Sufficient time to pose questions from the accounting officers and witnesses was adequately provided, however the justifications were weak reflecting lack of familiarity with what the funds had been expended on. Information that could not be obtained during the audits was still lacking and some could not be found and ministries were not ensuring that PAC received the documents requested. With unavailability of information, transparency was compromised. This was worsened by weak open debates that did not involve the media and civil society thus undermining public participation. Moreover, accountability is also compromised by the relationship of parliament and executive that did not support accountability. With the opposition being a minority and weak it could not hold the executive accountable. This was acerbated by a negative attitude of the executive and lack of commitment towards accountability. Capacity of PAC in terms of personnel, skill and equipment was inadequate and weakening the legislative scrutiny.

5.7 Implementation and follow-up of PAC recommendations

Parliament (PAC) prepares a report with the recommendations for the ministries to effect changes and ensures compliance where necessary. PAC makes a follow–up to assess the extent of implementation and to ensure that they are implemented.

5.7.1 Implementation of recommendations

Following the PAC hearings, AG and PAC reports are presented to the CAOs and the expectation is for ministries to respond by way of making available outstanding information, revisit certain issues with the OAG and improving internal controls and systems within the ministries to improve accountability and transparency. However, often these responses are not made as similar issues were reflected in the following PAC hearings. Furthermore, similar concerns were also raised by the AG investigations, implying that nothing had been done to improve the financial mismanagement in the ministries. This is in line with the Parliamentary centre (2001, p.11) that indicates that "the executive seem to be using the committees to relieve public pressure on it and then ignored their reports… its like parliament has its say but in the end the executive has its way".

Failure to implement PAC recommendations renders the oversight function a futile exercise, as government is not serious in ensuring effective financial management reforms and not committing to accountability and efficiency. Krafchik (2003, p.11) points out that while effecting institutional change in public finance management demands technical expertise, it also requires a political approach. The attitude and political leadership commitment are paramount as they enhance political support in the budget execution.

Implementing recommendations was poor due to the following; the executive did not take recommendations seriously, partisan, high CAO turnover that disrupts some programmes already underway; and recommendations that were irrelevant as they relate to past events due to delays in producing reports. Some of the respondents CAOs in particular, argue that AG's reports addressed mistakes of their predecessors, and therefore made it difficult to correct effects of past mistakes. According to Alders (2006, p: 10) "the resolutions are not accorded the priority deserved or are ignored due to the weak mechanisms for effective follow-up on implementation".

Audit Act stipulates that the CAOs should respond in writing within thirty (30) days on receipt of the report on how they intended to address the recommendations. About thirty per cent (30%) of the ministries audited respond acknowledging receipt of the report and indicating how they intended to implement the recommendations. Reasons put forward for the low percentage in response was said to be attributable to pressure of work, follow up plan and negligence.

5.7.2 Follow-up mechanisms

Lack of accountability and transparency is exacerbated by weak informal and inconsistent follow up mechanism on the part of PAC. For instance, PAC did not follow-up cases to assess whether there was any action taken on the recommendations or not.

Failure to follow-up the ministries was attributed to lack of a formal research capacity which could over and above its work follow-up the recommendations of PAC. While some members of PAC argued that they could not follow up due to the fact that they were only fifteen and this is not an adequate number to do the follow-up. This as indicated by some respondents was a lame excuse as they could at least do a few that could be done with available members.

However, considering what other countries especially in the west achieve with the parliamentary researchers, the work of parliament could also improve considering the fact that they only look at the annual audit reports not half yearly or quarterly that the other PACs have to deal with in these western countries like UK and USA. Without efficient follow up to ensure that punitive measures are applied to the culprits, officers continue to have unauthorized expenditure, mispostings misappropriations and corruption and fraud.

Consequently, poor recording and reporting of information continued, diminishing credible information necessary for accountability. According to Audit Programming and Bondera (1997, p: 6) "reports are means for securing beneficial change and improved systems of accounting, but functions of PAC to follow these reports are relegated to the extent that audit reports and recommendations have not been effective. This renders 30-40 % of the process of auditing a cosmetic exercise (Wang and Rakner 2005, p: 3).

Failure to engage sanctions when necessary perpetuates financial malpractices by the civil servants. While PAC has authority to enforce compliance with the recommendations it did not ensure its execution. Parliament failed to engage the legal frameworks to force the executive into fulfilling its obligatory requirement of accountability and transparency. This could go a long way in ensuring effective follow-up mechanisms, which in Lesotho SAI like other SAIs in Africa were still lacking (Borge, 2001, p: 3).

On the other hand, the Audit Act is silent on what should be done when CAOs do not implement the recommendations. Failure to implement recommendations compromises the external audit function as it was perceived as adding little value with no ability to ensure that the situation within the ministries improve (Henderson, 2007, p: 6). The impunity aggravates unlawful, unprocedural and unethical behaviour, and subsequently defeats accountability and transparency.

Other relevant bodies crucial in ensuring accountability of the executive include CSO and the Media. These complement efforts to promote accountability and transparency. Civil Society Organisations (CSOs) have a great role to play in promoting and strengthening good governance. They are useful in conducting initial investigations into financial mismanagement or further investigate the issues that arise from an audit report (Krafchik, 2003, p: 14). Moreover, media is important in dissemination budget information through news items and budget analysis; the media can be a tool for passing on critical budget information to the public. The media are fast gaining power as informal forums of political accountability (Elchardus 2002 in Bovens, 2005, p: 15). Nevertheless these two aspects important as they are in promoting accountability and transparency are beyond the scope of this research. Further research could perhaps look into the effectiveness of these bodies in promoting accountability.

5.8 Summary

Although the ministries were expected to implement PAC recommendations this was not done due to obsoleteness of the findings of the audit reports, political arrogance and negligence. While PAC does not follow these up due lack of capacity and weak follow-up mechanisms, OAG is able to follow-up however its mandate did not allow it to enforce compliance where ministries did not implement PAC suggestions.

CHAPTER SIX

6. Conclusion

This report has assessed the challenges of accountability and transparency in the Lesotho Civil Service. In doing this, a contextual framework of the public institutions has been presented to put into context the nature of these institutions and their deficiencies despite efforts to transform them throughout the decades. The conceptual and empirical discourse on accountability and transparency in the public sector institutions, the Lesotho civil service being the unit of analysis has also been looked at. These are constitutive elements of good governance and have been conceptualized in order to ground the research. The ideal situation of accountability model has been put forth giving a basis for assessment of the challenges as experienced within, the Lesotho civil service.

Assessment of the literature on accountability arrangement and the challenges that arise thereof has been widely used to substantiate and contextualize the challenges as they occur generally and in Lesotho. The research motivation was manifestations of weak accountability and transparency, which was a reflection of poor management of the public resources and lack of insight into how these resources are utilized by government.
My conviction is that lack of political commitment and poor administration of the programmes result in poor financial management. As a result public officers cannot account efficiently and without adequate information on accountability, transparency is severely compromised. Information necessary for transparency is not credible and measures of ensuring that it reaches the people are weak. This conclusion has been reached due to the following findings on the challenges of accountability and transparency:

Information flow on the activities of the ministries to Parliament is inadequate, inaccurate and not submitted on time. This results from non-adherence to the Financial and administrative rules, regulations, procedures and systems. Management of information within the ministries is weak. Capacity in terms of skill, personnel, equipment and technology compound the problem.

OAG responsible for ensuring that Parliament is provided with information receives poor quality information due to inaccessibility and unavailability of some information making the information insufficient and inaccurate. This coupled with capacity problems lowers audit coverage constraining availability information necessary for accountability. This results in parliament receiving information that is not credible enough to make an assessment of government performance adequately.

The legislative scrutiny is hampered by information that was inaccurate, insufficient and not time bound. Moreover, chief accounting officers gave weak explanations on financial mismanagement. This coupled with the skill deficit within the PAC and lack of parliamentary research capacity hindered expert judgement hence effective analysis of the audit findings.

The audit reports are not fully publicized, as there are no public hearings and no press conferences when the audit report is issued. Civil Society is also weak and did not have the resources to hold government accountable. While the media is vibrant, however, coverage is limited for private media and therefore does not reach most parts of the country. The national radio station with countrywide coverage is seen to be monolithic and biased in reporting on performance of government. Without media and civil society involvement in the scrutiny of the government performance accountability and transparency are hampered.

The ministries did not attend to PAC recommendation appropriately and on time and while the legislature is empowered to enforce compliance however, the follow-up mechanisms were weak and it was incapable of eliciting response to PAC suggestions from the executive. The executive did not feel compelled to respond to the PAC recommendations hence were ignored. This rendered the legislative and oversight structures and systems inadequate, the public financial management system weak and in efficient and ineffective monitoring of the executive arm of government.

Without a positive attitude of the political leaders and a high level commitment from the leadership towards accountability the legislative oversight function can never materialize. Soliciting political commitment, administrate efficiency and fiscal prudence is of paramount importance for accountability and transparency within the Lesotho civil service. It is therefore imperative for the government to manage politics and budget by strengthening ministerial administrative and legal frameworks as well as capacitating PAC and OAG in order to enhance the quality of political participation and fiscal responsibility. Trained and highly motivated staff, political will and strong and focused leadership are also crucial. Further research can be advanced in this area to establish how the interface between political accountability and fiscal prudence can be improved.

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APPENDIX 1 - INTERVIEW QUESTIONS

1. What is your view of public officers' compliance with the legal framework on financial management and other related activities?
   Explain……………………………………………………………………….
2. What are the reasons for non-adherence if any?
   ………………………………………………………………………………
3. What is the level of compliance with the procedures and systems for ensuring sound financial management within the civil service?
   Explain…..
4. What would be causes of non-compliance? ………………………………
5. How do you view the procedure and systems for management of information necessary for accountability? Explain………………………
6. What is your view on the capacity necessary for ensuring information availability in the ministries? Explain
   ……………………………………………………………………………
7. What is your opinion on accessibility of financial information from the ministries? Explain……………………………………………………..
8. What is your view on the quality of information provided in the ministries? Explain…………………………………………………………….
9. What is your view on the quantity of information provided in the ministries? Explain……………………………………………………………………….
10. How do you view the relationship between the ministries and the OAG?
    ....
11. What is your view on the quality of audit reports produced by OAG? Explain……………………………………………………………..

12. What is your view on the time that the audit reports are being produced? Occasionally on time/ always on time, occasionally late/always late. Give reasons………………………………………………...
13. Are there any factors that limit the independence of the SAI? Explain..
14. Does the SAI have capacity to efficiently pursue its mandate? Yes/No. Explain…………………………………………………………………
15. How soon are the reports submitted to Parliament?
16. Is there sufficient time to pose questions and for the ministries to give full explanation and justification on conduct? Explain…………….
17. What is your view on the quality of PAC scrutiny of audit findings? Explain and Give reasons………………………………………………….
18. Does parliament have adequate capacity to perform its oversight role? Yes/No. Explain……………………………………………………………..
19. How independent is PAC? …………………………………………………...
20. How many ministries implement PAC recommendations?
21. What factors constrain effective follow–up of the recommendations? Explain………...
22. Are there effective punitive measures for financial mismanagement? Explain………………………………………………………………………………
23. Does Parliament (PAC) hold the Executive accountable? Explain………………………………………………………………………………