



Investigating the challenges pertaining to financial accountability in the Northern Cape Provincial Government

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Declaration

I, Khotso Nkoe, a student at the North-West University, hereby declare that the mini dissertation titled:

“Investigating challenges of financial accountability in the Northern Cape Provincial Government.”

It is my own, original work, and completed to fulfil the requirements for the Master of Commerce (MCom) in Accountancy at the North-West University. This work has not been submitted for assessment or completion of any postgraduate qualification at other universities or tertiary institutions. I further declare that all sources used or quoted have been acknowledged through full references, a proper ethical clearance has been obtained from the ethics committee at the North-West University, and this research was conducted following the North-West University’s ethics policy



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Khotso A Nkoe

November 2025

Dedication and acknowledgement

Firstly, I would like to wholeheartedly thank North-West University for considering my application and offering me the opportunity to study despite the overwhelming number of applications received, while there was limited space available.

Secondly, I must express my sincerely heartfelt appreciation to my supervisor for his steadfast guidance and support throughout the journey that has been profoundly enhanced by research knowledge and capability

I would like to wholeheartedly thank my family, especially my wife, Dikeledi Betty Nkoe, who has been my source of strength and motivation, along with my children, Kealeboha and Omolemo Nkoe, for graciously providing me with time and space to further my academic journey.

Lastly, I would like to thank and appreciate everyone who has played a role in my academic journey, although not mentioned individually. Your support is immensely appreciated.

Preface

The mini dissertation represents the culmination of a professional and academic journey focusing on the enhancement of financial accountability within the Northern Cape provincial government departments. As a professional in finance, risk management, and governance, I have observed the challenges provincial government departments face in accomplishing the clean audit outcomes, and this study has allowed me an opportunity to explore those challenges in depth and further propose solutions informed by the theory and practice. This research process was knowledge-enriching.

Conducting the research while working and after I have transitioned into the academia space as a lecturer, balancing the work, family responsibilities required resilience, discipline, and a strong support from the family. I am grateful for the support I obtained from my family and my academic supervisor. This was indeed an unwavering encouragement.

I am hopeful that this study will contribute meaningfully to improving the financial oversight in public sector or government institutions and inspire further research in the field.

Abstract

Purpose: This study aims to investigate financial accountability challenges in the public sector by examining internal controls, auditing processes, and financial management practices. It further explores compliance and regulatory adherence issues, leadership and governance challenges, as well as accountability and consequence management, to provide a comprehensive understanding of the factors influencing financial oversight and transparency.

Motivation: The study is motivated by persistent issues of corruption, mismanagement of funds, and inadequate oversight mechanisms, which undermine fiscal responsibility and public trust in government departments.

Design/Methodology/Approach: The research employs a qualitative approach to explore the concept of financial accountability in the public sector. It examines factors impeding effective financial management through analysis of internal control systems, auditing processes, and governance practices within the Northern Cape government departments.

Main findings: The study identifies key challenges to financial accountability in the Northern Cape Provincial Government. Weak enforcement of financial regulations leads to systemic inefficiencies, while insufficient training for officials exacerbates fund mismanagement. Additionally, inadequate internal control practices undermine transparency and accountability. These findings highlight an urgent need for systemic reforms to strengthen financial governance.

Practical implications/Managerial impact: The study recommends stronger enforcement of financial regulations, advanced management systems, and targeted training for officials to improve accountability. Implementing these measures would enhance transparency, reduce corruption, and ensure efficient resource use. Independent audits and a culture of integrity are essential to build public trust and strengthen governance frameworks.

Novelty/Contribution: The research contributes to the understanding of financial governance challenges in the Northern Cape and offers evidence-based insights into potential reforms for promoting fiscal responsibility and transparency within public sector institutions.

Keywords: Financial accountability; Public sector governance; Auditing practices; Financial management; transparency; corruption

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LIST OF ABBREVIATIONS

AGSA	Auditor General of South Africa
IMF	International Monetary Fund
INTOSAI	International Organisation of Supreme Audit Institutions
PFMA	Public Finance Management Act
MFMA	Municipal Finance Management Act
SCOPA	Standing Committee on Public Accounts
PAA	Public Audit Act
RSA	Republic of South Africa
MI	Material Irregularities
SABC	South African Broadcasting Corporation
DPSA	Department of Public Administration South Africa

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CHAPTER 1

RESEARCH PROPOSAL

1.1 Introduction

Financial accountability stands as a cornerstone of transparent and responsible governance, ensuring the effective utilisation of public resources for the betterment of society (Adonis, 2021). According to Kim (2017), financial accountability is established when the officials in public services are required to comply with the applicable legislation and act in the public interest regarding service delivery and financial accountability. Within the complex landscape of governmental operations, the Northern Cape Provincial Government has been at the forefront of delivering essential services and fostering development in the province (AGSA, 2022). However, the attainment of financial accountability in public administration is a multifaceted challenge, marked by evolving regulatory landscapes, technological advancements, and the imperative to meet the diverse needs of its constituents (Buryk, Piatnychuk, & Biloshkurskyi, 2025). By analysing the intricacies of financial accountability in the Northern Cape, this research aims to provide insights that stretch beyond theoretical discussions. Additionally, Efunniyi, Abhulimen, Obiki-Osafiele, Osundare, Agu, and Adeniran (2024) note that a comprehensive review of financial frameworks, reporting mechanisms, and compliance protocols will inform practical recommendations to strengthen financial accountability. This research endeavours to shed light on the intricacies of financial accountability within the Northern Cape Provincial Government, seeking to uncover and comprehend the challenges that may impede the seamless execution of fiscal responsibilities. As governmental bodies navigate an ever-changing socio-economic terrain, the identification and analysis of these challenges become imperative for the continual improvement of financial management practices.

By delving into the specifics of financial accountability within the Northern Cape, this research aims to contribute valuable insights that go beyond the theoretical realm. Through a meticulous analysis of existing financial structures, reporting mechanisms, and compliance practices, the study aspires to generate actionable recommendations that can fortify the foundations of financial accountability. Such insights are not only crucial for the efficient functioning of the Northern Cape Provincial Government but also hold the potential to inform broader discussions on public financial management.

Given this research study, the goal is to not only pinpoint challenges but to offer pragmatic solutions that can pave the way for enhanced financial transparency, integrity, and accountability. The outcomes of this research are anticipated to benefit not only the Northern Cape Provincial Government but also contribute to the broader discourse on effective financial governance in the public sector.

Despite the extensive literature on public sector financial accountability including the audit outcomes in South Africa, limited empirical research has examined financial accountability mechanisms within provincial government departments. In particular, there is a paucity of empirical evidence focusing on the departments in the Northern Cape that consistently failed to financially account for the financial spending and obtain good audit outcome. Persistent negative audit outcomes in the Northern Cape government departments have significant implications for public trust, service delivery and fiscal sustainability. Identifying weaknesses in financial accountability mechanisms may assist oversight bodies, accounting officers and policymakers in strengthening governance practices and designing targeted interventions to improve audit outcomes. Consequently, the study provides evidence that is relevant to governance and financial accountability improvement initiatives within the provincial government context.

In the subsequent sections, the researcher will explore the historical context as the background of the study, existing literature, and the specific objectives of this study to comprehensively address the challenges surrounding financial accountability in the Northern Cape Provincial Government.

1.2 Background of the study

According to Newman et, al (2021), on a global scale, the evolution of historical lessons, new technologies, and global systems has inevitably led to public sector reforms, particularly evident in Africa and South Africa. Such reforms have been increasingly implemented in both developed and developing countries, fostering the modernisation of government financial management practices (Newman *et al.*, 2021). Internationally, governments are grappling with the task of balancing fiscal responsibility with the ever-expanding needs of diverse populations (Ingram & Lord, 2019). Governments worldwide are adopting measures to enhance the disclosure of financial information, enabling citizens, oversight bodies, and stakeholders to scrutinise and assess the allocation and

utilisation of public funds (Mnif & Gafsi, 2020). The evolution of financial accountability within governmental bodies has been characterised by a transition from traditional bureaucratic models to contemporary frameworks that prioritise efficiency, financial accountability, and responsiveness (Bernestein & Rodriguez, 2022). This shift is underscored by a commitment to international best practices and principles advocated by organisations such as the International Monetary Fund (IMF), the World Bank, and the International Organisation of Supreme Audit Institutions (INTOSAI) (Adhikari *et al.*, 2021). International best practices underscore the importance of transparent financial reporting mechanisms (Maas & Sampers, 2020).

The advent of technology has revolutionised financial management in the public sector globally. Governments are increasingly leveraging digital platforms, data analytics, and artificial intelligence to streamline financial processes, reduce inefficiencies, and enhance accuracy in reporting (Kuziemski & Misuraca, 2020).

A paradigm shift towards inclusivity and stakeholder engagement is observable internationally. This paradigm shift provides an impetus for financial accountability reforms globally in public entities (Yoshikawa *et al.*, 2021). Governments recognise the importance of involving citizens, civil society, and other stakeholders in the financial decision-making process, fostering a sense of ownership and accountability. The scholar highlighted the paramount importance of citizen's needs for stakeholder engagement, particularly the engagement of citizens in strengthening the legitimacy and acceptance of the reform process (Badia *et al.*, 2020). This engagement should be ensured at all stages of the reform process, from policy design to implementation and evaluation (OECD, 2019).

The desire to adhere to international financial reporting standards provides a benchmark for financial accountability (Polzer *et al.*, 2021). Governments align their accounting practices with globally accepted standards, facilitating comparability and benchmarking against international peers). However, according to Polzer *et al.*, (2022) the adoption of the international standard does not automatically translate into improved financial accountability. In practice, the effectiveness of such standards is contingent on institutional capacity, professional competence and enforcement mechanisms within government departments.

Nationally, within the broader context of South Africa, the evolution of financial accountability reflects a commitment to democratic governance and fiscal responsibility

(Mophethe, 2023). According to the constitution of the Republic of South Africa (RSA) national as well as provincial treasuries have a responsibility to manage provincial government finances (Constitution of the Republic of South Africa, 1996). Furthermore, the constitution also requires national and provincial treasuries to ensure transparency, accountability, and sound financial controls. The post-apartheid era saw the enactment of legislative frameworks such as the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA). The National Treasury (2023) include the the following national trends:

- (i) **Legislative Frameworks for Financial Governance:** The enactment of laws and regulations aimed at instilling transparency, accountability, and sound financial management practices within government institutions.
- (ii) **Economic and Developmental Dynamics:** National economic trends, shifts in demographics, and developmental imperatives play a crucial role in shaping financial priorities and challenges at the provincial level.
- (iii) **National Technology Integration:** The national drive towards digital governance and financial innovation influences technology adoption within provincial governments.
- (iv) **Compliance with National Standards:** Provincial financial systems align with national standards and regulations to ensure consistency and conformity.

Zooming in on the Northern Cape, a province characterised by its unique socio-economic landscape, the study narrows to focus on specific challenges such as government departments that have been obtaining negative audit outcomes for three years and how these challenges can be improved. This funnel approach provides a structured narrative, guiding the reader from global trends to national frameworks and, ultimately, to the specific provincial context. It sets the stage for a focused investigation into the challenges and opportunities surrounding financial accountability within the unique landscape of the Northern Cape Provincial Government

1.3 Preliminary literature review

In recent decades, development cooperation has increasingly advocates for improved governance and financial accountability in public entities (Androniceanu, 2021:14).

According to Mfene (2013:7) financial accountability is established when officials in public services are required to comply with the applicable legislation requirements and act in the public interest regarding service delivery and financial accountability. This highlights the need to direct all financial activities of organisations in accordance with the required and applicable financial laws and regulations. Adegbite *et al.* (2022:176) argues that strong pledges made in various statutes have recognised the significance of financial accountability or the methods by which the public holds the government accountable.

Effective financial accountability, characterised by transparent and accountable management and reporting of financial information, is crucial for fostering economic growth and development (Masuku, 2019). Services are best provided by organisations that are financially accountable for the spending of public financial resources by public officials within government organisations (Demircioglu, 2016). Over the past decade, the expansion of development assistance for financial accountability has brought forth numerous issues, indicating persistent challenges despite increased support. Notably, financial accountability remains a critical concern in many developing nations, including South Africa, underscoring the need for continued improvement (Song *et al.*, 2022; Ngwakwe, 2012). According to Maama and Marimuthu (2020), there is a growing public demand for financial accountability in all spheres of government. Gasela (2022) emphasises the growing global demand for public servants to be accountable for financial resource utilisation. Central to this financial accountability is through auditing process, which serves as a cornerstone of financial oversight and transparency. To cultivate a thriving environment for financial accountability, several critical components are essential. This includes the development of robust and effective systems to manage an institution's financial assets and liabilities, as emphasised by Moolman (2021). As highlighted by Pillay and Qwabe (2021), such systems not only facilitate improved financial reporting and budgeting but also contribute to the effective and efficient utilisation of limited public resources and financial management.

Additionally, effective internal controls could improve financial accountability and are considered important in all public institutions (Eton *et al.*, 2018). Good control systems have a good influence on reliable financial accountability and reporting. Notsi (2012) states that financial reporting plays a crucial role in promoting and enhancing accountability in public institutions. The financial reporting component promotes and enhances accountability and transparency regarding government financial resources. This reporting

is through annual reports that include audited financial statements, performance information reports and audit reports (Notsi, 2012). Financial management is also seen as a critical process in this context in pushing the agenda of service delivery and promoting accountability in South Africa (Notsi, 2012). Additionally, Moolman (2021) argues that good financial management promotes transparency and accountability and strengthens governance.

Public institutions' accountability is still lacking and needs to improve because citizens expect service delivery and financial accountability to be undertaken through formal reports that are accessible to the public (Notsi, 2012). Globally, there has been a call to advance financial accountability and protection against the abuse of power and state financial resources (Makwetu, 2019). Government departments put internal controls in place to avert the maladministration of funds and the possibility of fraud (Eton *et al.*, 2018). The AGSA has introduced the Material Irregularities (MI) to ensure that material financial losses incurred by the public institutions are recovered (Auditor-General, 2022). The MI deals on issues of non-compliance or contravention with the legislation, theft, fraud or breach of fiduciary duty identified during the audit performed in compliance with the Public Audit Act (PAA) and resulted into material financial loss or misuse of material public resources (Auditor-General, 2022).

As required by Chapter 9 of the Constitution of South Africa (1996), the AGSA has been mandated to audit all public institutions within the country and the Public Protector has been authorised to conduct any investigation related to the complains reported by the public against the public officials. A good measure that is been put in place to address the issues of governance and financial accountability within government departments is the Standing Committee on Public Accounts (SCOPA), which is a National Assembly Committee that acts on behalf of parliament as a watchdog over the public funds (Notsi, 2012:33). However, there are still many unresolved issues about financial accountability that need to be address in the country as a whole and specifically in Northern Cape province. The latter underscore the needs for this study.

1.4 Previous research

To establish a robust foundation for this study, I conducted an extensive review of existing research in the field, focusing on similar studies to identify their contributions and discern

any gaps in the current body of knowledge. In one such study by Tsheletsane and Fourie (2014), investigating factors hindering public financial management and accountability in South Africa, notable challenges emerged concerning the recruitment of competent leaders and managers tasked with stabilizing public institutions and providing effective leadership. The study also highlighted a significant turnover rate among key positions, particularly Accounting Officers, which undermines the establishment of suitable financial management reporting structures. Accounting officers bear the responsibility of ensuring the effective, efficient, economic, and transparent utilization of public resources, as stipulated by the Public Finance Management Act (Treasury, 1999a). Section 36 of the PFMA designates the accounting officer as the head of the department (Treasury, 1999a:8). However, the study falls short in providing clear guidelines for enhancing financial accountability within provincial administration.

A study performed by Qhobosheane (2018) investigated the political interference in the South African Broadcasting Corporation (SABC) where the results of the study indicated the first finding as unethical behaviour by the top management. Amongst the key findings was the competency of the appointed directors as it relates to lack of skills and compromised integrity. Corruption was also part of the key findings of the study. Specifically, corruption due to a lack of accountability maladministration and political interference in procurement processes (Qhobosheane, 2018).

Sikhakane and Reddy (2011) investigated key challenges affecting the municipalities in RSA and concluded that it is mainly based on a lack of financial accountability and service delivery. The challenges highlighted in the study are backed by negative audit reports issued by the AGSA (2022).

The politicians politicise the public administration by deploying their comrades who do not have the capacity to the key strategic positions. This deployment of politicians who do not have the capacity and experience for the strategic positions contributed towards poor accountability within the public sector (Chipkin, 2020:19). Sebakamotse and Niekerk (2021) investigated an overview of the administrative oversight and accountability, and the investigation findings pointed out the poor oversight and accountability by those who were supposed to play a crucial oversight role. Newman (2021) investigated how corruption affects financial accountability and found that there is a significant relationship between

corruption and financial accountability. The major finding was based on gaps in the financial control systems that were open doors for corruption activities, and it may result in a misinterpretation of the financial statements.

While previous studies have commendably offered valuable insights into financial accountability within the public service, they have also left notable gaps that necessitate further exploration, particularly in addressing the challenges specific to South Africa, specifically in the Northern Cape Province. These existing gaps serve as the driving force behind this study. Its objective is to investigate the factors hindering financial accountability and propose strategies for enhancing it within the Northern Cape province.

Globally, there is pressure for public officials to be held financially accountable for their government spending, and the catalyst to hold public officials accountable is through auditing processes. On 01 April 2019, the AGSA was given powers by extending its mandate to help those charged with governance to enforce consequence management. This was done through the review and amendment of the Public Audit Act (PAA) No.5 of 2018. MI was introduced to identify the suspected audit irregularities during the audit processes. This mandate originates from the promulgation of the amendments to the PAA of 2018 (AGSA consolidated report, 2020). The purpose of MI is to empower the AGSA to take binding remedial actions to force the Accounting Officers to recover public financial losses (Gasela, 2022). According to Gasela (2022), the implementation of MI has a positive impact on governance, accountability and oversight and it will further deter wrongdoings in public institutions.

The state of good governance in RSA has remained a serious challenge in all three spheres of government and results in a lack of financial accountability and poor service delivery (Masuku, 2019). This is also evident in the study, which is the Northern Cape Province, and supported by the audit outcomes issued by the AGSA. Masuku (2019) further elaborates that poor service delivery by the public sector is because of poor governance and lack of financial accountability. These ultimately lead to poor governance, resulting in wastage of resources, frail institutions, declining investments, slow and stagnate economic growth and may lead to corruption. It is significant to note that lack of accountability can have detrimental consequences that weaken overall governance and impede the socio-economic development of the country at large.

1.5 Problem statement

The Northern Cape Provincial Treasury faces significant challenges in enhancing financial accountability within government departments. Despite allocating funds in accordance with departmental mandates and strategic objectives, ineffective utilisation of public funds persists (Kgatjepe 2018). According to Naseem *et al.* (2017), financial accountability in many government departments across the country has been questioned, as it is believed that there is no consequence management in these departments, and hence, people do as they please. Furthermore, for the past three years from the 2020/2019 financial period, out of 12 departments, three departments- the Provincial Treasury, Office of the Premier, and Social Development have obtained unqualified audit opinions with no findings (AGSA, 2020). Five departments, Cooperative Governance, Human Settlements and Traditional Affairs, Department of Education, Department of Provincial Legislature, Department of Roads and Public Works, and Department of Sports, Arts and Culture obtained an unqualified audit opinion with findings. However, four departments- the Department of Health, Department of Agriculture, Department of Economic Development and Tourism, Department of Health and Department of Safety and Liaison have obtained a qualified audit opinion from the AGSA that has been mandated to audit government departments and public entities (AGSA, 2020). The qualified audit opinion is caused by material misstatements on the financial statements identified by the AGSA during the audit process. The major problem of obtaining an unqualified audit opinion is seen as a failure to account for government spending as required. This gap provides an impetus for this study.

1.6 Research objectives

1.6.1 Main Objective

The main objective of the study is to investigate the challenges pertaining to financial accountability in the Northern Cape Provincial Government departments.

1.6.2 Secondary objectives

Theoretical objective

- To explore the concept of financial accountability within the public sector context.
- To explore factors impeding financial accountability in the Northern Cape government departments.

Empirical objectives

- To determine the state of financial accountability within the Northern Cape Provincial Government.
- To recommend measures that will improve audit outcomes within the Northern Cape Province.
- To provide recommendations based on the findings of the aforementioned factors that have been identified.

1.7 Research design and methodology

Research methodology is a systematic process or method in which information is identified, selected, processed, and analysed (Abernethy, 2019). There are three types of commonly used research methodologies in research, and these are qualitative, quantitative, and mixed methods methodologies (Alles, 2019). According to Braun and Clarke (2017), a qualitative methodology is defined as a technique that is employed to comprehend the experiences, behaviour, opinions, perspectives, and interactions of people. The qualitative methodology focuses on obtaining data that is not numerical or statistical. According to Klenke (2018), the qualitative methodology concentrates on obtaining as much data as possible from a small sample size. In contrast to quantitative research, it allows participants to express themselves while providing data, making it a more flexible method.

The qualitative research approach will be used for this study's purpose to explore and describe the phenomena as it is allowed for in the study's natural environment. As a result, using a qualitative research approach can aid in attempts to explain, deduce, and make sense of a phenomenon to link it to the meanings the researcher discovers while doing the study (Abernethy, 2019). Additionally, the qualitative approaches aid in designing the capacity to create excellent descriptions of the selected subject, ideas, and provide explanations for why a phenomenon has developed over time (Braun & Clarke, 2017). In addition, a qualitative methodology will enable the views, perspectives and experiences of participants about accountability within the Northern Cape government departments to be unravelled. The information will be obtained through interviews of employees sampled for the study.

1.7.1. Paradigmatic assumptions

A research paradigm is a framework of philosophy that governs the way research is conducted. It provides a series of values and comprehension from which the concepts and practices of the study operate (Yin, 2018). The research paradigm comprises ontology and epistemology. This paradigm is particularly suited to the public sector auditing research, where the audit outcomes and governance practices are embedded in institutional norms, regulatory frameworks and professional judgement rather than purely objective financial measures. These are discussed in detail below.

1.7.1.1. *Ontological assumptions*

The area of philosophy known as ontology is focused on existence and reality. It addresses the nature of reality or truth, in other words. What is existence, for instance? ', 'Wait, what's that? ', "What is the nature of existence? ", and " are questions in ontology (Abernethy & Wallis, 2019:90).

Ontology is about getting an understanding of the assumptions on how the world is envisioned, recognised, and sensed, and that ontology has been labelled as being observable based on the performative outcomes of the practices globally (Matashu, 2016). Ontology is more about the condition of being or presence in terms of human existence and social reality. Furthermore, the challenges correlated with ontology are to prove or confirm how to know what is reality and how to distinguish when a statement about the world is true or false (Matashu, 2016).

Idealism and realism are regarded as the core ontological assumptions, where idealism is believed to be a subjective reality that is made by the individual through logical reasoning and that reasoning can be regarded as subjective and socially created, and realism undertakes that the external form of reality is pragmatic or observed and there should be an external explanation for what is observed (Matashu, 2016). The study will investigate challenges affecting accountability within a selected government department in the Northern Cape and propose possible solutions to overcome those challenges. The researcher will apply an idealistic ontology since the accountability is open for interpretation and analyses may be different from those conducted by another researcher. There is no specific law on how ontology can be experienced.

1.7.1.2. Epistemological assumptions

The area of philosophy known as epistemology is focused on the nature of knowledge, as well as its potential applicability and general underpinnings (Anders, 2018:78). According to Braun and Clarke (2017:77), it focuses on how information is acquired, how something is known, and various information-acquisition techniques. In epistemological assumptions, questions like "What do you know?" "How do you know?" they are asked (Alles, 2019:90). The link between the researcher and reality, or how the researcher acquires knowledge, is another topic covered by epistemology. It focuses particularly on the nature, origins, and boundaries of knowledge, and it is thus "a branch of philosophy concerned with the potential, nature, origins, and limits of human knowledge" (Klenke, 2018:29).

Epistemology is further explained by rationalism or empiricism. Empiricism assumes truth or reality exists in outer space and time, and that can be seen by inspection of empirical justifications of what is being seen by the world (Smith, 2022).

The data collected will be analysed and the results will be interpreted by the researcher. The results interpreted by the research will be regarded as the knowledge acquired. The study will investigate the challenges that are affecting or preventing accountability in the selected or sampled government departments. The approach to be followed is an empiricist approach, which means that the study is to seek meaning and analyse empirical data and interpretation.

1.7.1.3. Research paradigm

The methodology used as well as the study paradigm chosen will be based on the ontological and epistemological components. This chosen research paradigm should suit the study of accountability within the Northern Cape.

A discussion will be done of three research paradigms, namely, positivism, constructivism, and the paradigm about ontological and epistemological elements. Positivists hold that there is just one reality that can be measured and comprehended. They are therefore most likely to base their research on quantitative techniques (Creswel, 2021:156).

Positivism's fundamental tenet is realism, which presupposes the existence of a reasonable world. The researcher and the research object/study are thought to be

autonomous, and the researcher can do the research without influencing the research object. On the other hand, the epistemological component is that of a dualist and objectivist (Anders, 2018).

According to constructivists/interpretivists, there are numerous realities rather than a single reality or truth. They dedicate their time to deciphering and analysing the significance of an action. Constructivists frequently employ qualitative research techniques that emphasise offering various viewpoints, such as case studies and interviews (Babbie, 2020). According to pragmatics, reality is always being re-examined and re-negotiated considering brand-new, unpredictably occurring circumstances. As a result, the study question itself determines the philosophy they utilise. In a single endeavour, pragmatics frequently mix positivist and constructivist concepts, using both qualitative and quantitative techniques to examine various aspects of a research subject (Abernethy & Wallis, 2019).

The paradigm that will be used in this study will be that of interpretivism since the research will be inductive and qualitative research. Interpretivism relates to a qualitative study using unstructured interviews to obtain an understanding of phenomena under this study. Furthermore, it aims to provide an understanding of how different people gain knowledge of social reality. It aims to draw conclusions based on opinions, perspectives, and opinions of the participants about accountability within the Northern Cape government departments.

1.7.2. Theoretical framework

1.7.2.1. Good governance theory

The good governance theory is connected to governing practices and frameworks in developing nations, and since South Africa is a developing nation, it is especially pertinent to the country's government (Statistics South Africa, 2021). The World Bank originally presented a set of guiding principles or policies for dealing with and aiding the development of third-world nations, from which the good governance paradigm evolved. The World Bank typically places conditions on lending to developing nations, including good governance practices. The development of the public sector in developing nations is a key component of good governance (Bank, 2001).

A modern style of governance has come to understand that accountability between the state and its citizens is just as important as efficiency. Good governance is about how people are regarded as citizens, who have the right to hold their governments accountable for the acts they take or do not take, rather than just as customers or consumers (as in the new public management paradigm) (Androniceanu, 2021).

The good governance theory is a theory of governance that establishes some fundamental rules for how a good government, regardless of its structure, should operate (Bartlett, et al., 2001:178). Accountability, control, responsiveness, transparency, public engagement, economy, efficiency, etc. are some examples of these principles (Kotrlik & Higgins, 2001). In South Africa, the Department of Public Administration South Africa (DPASA), National Treasury and AGSA issue the instructions and regulations that serve as a framework and guidelines for public organisations.

The AGSA report highlights the key challenges and flaws in public financial management. The non-compliance with laws and regulations, including instruction noted issues by the relevant authorized public entities results in irregular, fruitless and wasteful expenditure. Furthermore, non-compliance results in an adversative audit outcome. This non-compliance causes weak governance structures as a result it harms accountability by those charged with governance. In conclusion, the study will evaluate the accountability praxis within the Northern Cape Provincial Government.

1.7.3. Population

The population can be described as a group of people who can potentially participate in the research study (Abernethy, 2019). Population and sampling are communion and habitually propose the nature of the study to be conducted (Henry, 2009). The knowledge and professional judgment of research is important for the design to be credible because judgment is used to determine the population and sample (Henry, 2009).

South Africa is a country based on the southern tip of the African continent with a population of about 59.62 million, and it consists of nine (Statistics South Africa, 2021). The study will focus on the Northern Cape Province, which takes approximately a third of the country's landscape area and is the largest landscape-wise with the lowest population. The total population of the Northern Cape is 1.29 million (Statistic South Africa, 2021). The

Northern Cape Province consists of 12 provincial government departments and is grouped into four clusters as indicated below (National Treasury, 2023)

Table 1.1: Provincial government departments grouped in four clusters

Cluster 1	Cluster 2	Cluster 3	Cluster 4
Department of Education	Department of Health	Agriculture	Roads, Public Works
Northern Cape Provincial Treasury	Office of the Premier Northern Cape	Co-operative Governance, Human Settlement and Traditional Affairs	Transport, Safety, Liaison
Economic Development	Social Development	Sports, Arts, and Culture	Provincial Legislature

Source: Author's compilation

In South Africa, many government departments have been accused of abusing funds that would have been received from the National Treasury (Adegbite *et al.*, 2022). These allegations have been backed up by the provision of poor services, which has resulted in social unrest and many protests in different parts of the country (Keping, 2018). According to Naseem *et al.* (2017), accountability in many government departments across the country has been questioned as it is believed that there is no consequence management in these departments, and hence, people do as they please. The study is conducted considering the following financial years 2019-20, 2020-21 and 2021-22 within the Northern Cape provincial government looking at provincial departments.

For the past three years, from the 2020/2019 financial period out of 12 departments, three departments which are the Provincial Treasury, Office of the Premier and Social Development have obtained unqualified audit opinions with no findings (clean audit) (Government, 2020). The five departments which are Cooperative Governance, Human Settlements and Traditional Affairs, Department of Education, Department of Provincial Legislature, Department of Roads and Public Works and Department of Sports, Arts and Culture obtained an unqualified audit opinion with findings. The four departments which are the Department of Health, Department of Agriculture, Department of Economic

Development and Tourism, and Department of Health and Department of Safety and Liaison have obtained qualified audit opinion from the AGSA that has been mandated to audit government departments and public entities (Buryk et al., 2020).

The study will focus on the four departments that obtained a negative audit outcome as reported by the AGSA report. Government departments need to account for the spending of allocated financial resources and obtaining negative audit outcomes is an indication of the lack of accountability (Auditor-General, 2019). Data will be collected from those four departments with negative audit outcomes. The total target population will consist of individuals who are senior managers from the selected department within the Northern Cape Province.

1.7.3.1 Sampling technique and sampling size

Sampling is the method through which conclusions about the whole are drawn from the study of a part. Since this will be a qualitative study, a non-probability sampling method in the form of purposive sampling will be used (Abernethy & Wallis, 2019). According to Cooper and Schindler (2018) purposive sampling is the process through which a sample is selected based on the population's characteristics and research objectives. Anders (2018) indicated that purposive sampling will enable the selection of participants who are knowledgeable of the governance and governance issues, which will ensure that rich and quality data is obtained. The sample will be selected from the four departments that obtained the qualified audit outcome that was issued by the AGSA. According to Clarke and Braun (2013) a qualitative study requires at least a minimum of 15 to 30 participants to reach data saturation. Therefore, a sample of 16 participants who are senior managers will be selected from the four departments with negative audit outcomes. This means that four individuals who are senior managers from each department will be selected.

1.7.3.2. Inclusion criteria

According to Clarke and Braun (2013) qualitative study requires at least a minimum sample of 15 to 30 to reach data saturation. Therefore, a sample of 16 employees will be selected from the four Northern Cape Provincial Government Departments, which are the Department of Health and the Department of Agriculture, Environmental Affairs, Land Reform, and Rural Development. The age of the participants to be sampled will range between 18 and 65, it will be participants with governance and accountability knowledge

or experience, and will be senior managers, because the exploratory study that is qualitative in nature needs profundity information or knowledge (Salkind, 2014). The participants are employed within government departments, and the researcher will get permission, and the participants will sign a consent form.

1.7.3.3. Exclusion criteria

Children under the age of 17 will not be part of the research process and employees who do not work at government departments within the Northern Cape. People with mental disabilities will not participate in the study.

1.7.3.4. Recruitment of participants

The eligible or possible participants for pertinent interviews will be selected for this investigation and requested to participate in the study. These participants are employed by four departments in the Northern Cape. As a result, the researcher will adequately explain the study's purpose and goal to each participant based on their office or section.

1.7.4. Data collection and analysis

This section discusses the study's data collection techniques and data analysis in detail.

1.7.4.1. Data collection techniques

Data can be collected by different research tools, depending on the research approach or methodology used (Anders, 2018:44) . In this case, the research methodology adopted is qualitative, and as such, an interview guide will be suitable. According to Braun and Clarke (2017), an interview is a process through which information is obtained through a face-to-face conversation with the participants. There are different types of interviews, namely, unstructured, structured, and semi-structured interviews. For this study, a semi-structured interview will be used. The justification for choosing such an instrument is that it permits a comprehensive dialogue between the participants and the interviewer about governance and accountability issues (Braun & Clarke, 2017). According to Alshengeeti (2014), a data collection method through interview gives the researcher good answers and participants can express their thoughts. The interviews will be conducted face-to-face between the researcher and the participants, and it will be recorded using an audio recording.

1.7.4.2. Data analysis

According to Cooper and Schindler (2013), data analysis can be defined as a method of reducing the amount of information collected to a smaller or more convenient data size. The data will be transcribed and summarised from the audio-recorded data collected from the interviews and documented in Microsoft Word (Creswell, 2015). Thematic analysis will be used to code qualitative data, which aids in putting data into words and displays the data in experience, expectations, themes, percentages, perceptions, and perspectives, as well as descriptions of the subject under investigation. The information will then be presented by earlier studies that aimed to answer related research questions within government departments (Babbie & Mouton, 2018).

1.8 Ethical considerations

The study will obtain ethical clearance before collecting data, and ethical guidance and procedures will be followed by the research. The participation and responses will be treated with strict confidentiality. Only the researchers involved in this study will have access to the data, and it will be used solely for research purposes. Any personal identifying information will be handled according to the rules formulated in the Protection of Personal Information Act of 2013. The results and the findings of the study will be reported in aggregate and not on an individual basis. All data will be stored on the North-West University cloud, to which only the supervisor and the researcher have access.

1.8.1. Permission and informed consent

A consent form will be completed by the participants to ensure that participants do not participate in the research process against their will (Anders, 2018). In other words, they should not be coerced into participating in the research process. The research objectives will be explained to the participants, and letters of consent will be provided to them, so they can sign them as an indication of their voluntary participation in the study.

Participants should be protected from any form of harm, be it physical or emotional (Saunders, 2016). The interviews will be carried out in safe offices at the Northern Cape Provincial offices. To prevent emotional harm, participants will not be pressured to answer any questions that they do not feel like answering. The research will ensure that all ethical guidelines established by the university and the Northern Cape Provincial Government are followed. The participants will be allowed to withdraw from participating at any time.

1.8.2 Confidentiality and Permission

Confidentiality entails that the information provided by the participants is protected and is not accessed by any authorised person (Little & Rubin, 2017). To guarantee confidentiality, the information that will be provided by the participants will be stored in a secure place that is locked and can only be accessed by authorised people. According to Braun and Clarke (2017) anonymity is protecting or concealing the identity of the participant or not linking any information to any participants. No other form of identification will be required to ensure anonymity, and no information will be linked to any participants.

Permission is required to execute research, and this permission should be obtained from the relevant authorities of the organisation under study (Anders, 2018). In this case, a letter requesting permission will be sent to the Northern Cape Provincial Department. The research process will start once the permission letter is granted.

1.9 Chapter Overview

This section overviews the chapter layout to indicate the flow of research and reasoning processes. This study is divided into three chapters, structured as follows:

1.9.1. Chapter One: Introduction

The main topics of this chapter are the introduction, the study's background, its purpose, its goals, its aims, its research questions, methodology, and its importance.

1.9.2. Chapter two: Research article

The article will focus on investigating the factors that create challenges toward accountability in the Northern Cape Provincial Government. The root causes that affect accountability will be identified, and recommendations will be made to improve accountability in the public sector. The article will include the following: -

- I. Abstract
- II. Introduction
- III. Literature review
- IV. Results from the content analysis. The data collected will be analysed and interpreted accordingly.

- V. Results from the interview, which will include the findings, recommendations, and conclusion.

1.9.3. Chapter three: Conclusions and recommendations

The conclusions drawn from the study's research findings will be the main topic of this chapter. In addition to more research, recommendations will be offered.

CHAPTER 2: JOURNAL ARTICLE

ABSTRACT

Purpose: The purpose of this study is to examine the key challenges that hinder financial accountability in selected Northern Cape Provincial Government (NCPG) departments. Specifically, it seeks to identify weaknesses in internal controls, auditing processes, and financial management practices, and to assess how compliance, government structures, and leadership issues affect transparency and accountability in these departments

Motivation: The study is motivated by persistent issues of corruption, mismanagement of funds, and inadequate oversight mechanisms, which undermine fiscal responsibility and public trust in government departments.

Design/Methodology/Approach: The research employs a case study research design to explore the concept of financial accountability in the public. This design allows for an in-depth examination of challenges within selected Northern Cape Provincial Government Departments. Data was collected through semi-structured interviews with key stakeholders, including financial managers, auditors, and departmental officials. A sample of 16 participants was purposively selected to provide rich insights into internal control systems, auditing processes, and governance practices. The study examines factors impeding effective financial management by analysing interview data, internal control mechanisms, and the broader governance within the NCPG departments

Findings: The study reveals challenges to financial accountability in the Northern Cape Provincial Government stem largely from weak enforcement of financial regulations, limited capacity in auditing units, and systematic inefficiencies in internal control

systems. Interviews highlighted that insufficient training for officials and lack of accountability mechanisms exacerbate the mismanagement of funds. Furthermore, leadership gaps and poor governance practices emerged as recurring themes that weaken transparency and erode public trust.

Practical implications/Managerial impact: The study suggests that government departments in Northern Cape can strengthen financial accountability by improving internal audit capacity, enforcing compliance with financial regulations, and investing in continuous training for officials responsible for financial management. Furthermore, the study recommends stronger enforcement of financial regulations, advanced management systems, and targeted training for officials to improve accountability. Implementing these measures would enhance transparency, reduce corruption, and ensure efficient resource use. Independent audits and a culture of integrity are essential to build public trust, improve accountability, and strengthen governance frameworks

Novelty/Contribution: The research contributes to understanding financial governance challenges in the Northern Cape and offers evidence-based insights into potential reforms to promote fiscal responsibility and transparency within public sector institutions. The paper provides insights into how stakeholder theory can be applied to explain how public service employees particularly managers and executives — can manage public financial resources to create value for society.

Keywords: Financial accountability, internal control public sector governance, internal auditing, financial management, consequence management, transparency, financial oversight and corruption.

2.1 INTRODUCTION

Financial accountability is a fundamental pillar of transparent and responsible governance, ensuring the effective allocation of public funds to drive societal progress (Adonis, 2021). According to Kim (2017), financial accountability is achieved when public officials adhere to legislative requirements and prioritise the public interest in service delivery and financial management. This study seeks to unravel the complexities of financial accountability within the Northern Cape Provincial Government, focusing on the obstacles that may hinder the effective execution of financial responsibilities. Buryk et al. (2025) Piatnychuk emphasise that in an ever-changing socio-economic landscape, governmental entities must identify and address these challenges to enhance financial management practices continually. By analysing the intricacies of financial accountability in the Northern Cape, this research aims to provide insights that stretch beyond theoretical discussions. Additionally, Efunniyi et al. (2024) and Adeniran (2024) note that a comprehensive review of financial frameworks, reporting mechanisms, and compliance protocols will inform practical recommendations to strengthen financial accountability. These insights are not only vital for the effective operation of the Northern Cape Provincial Government but also contribute to broader discussions on public financial governance. The study seeks to identify key challenges and propose viable solutions to enhance transparency, integrity, and accountability in financial management.

2.2 BACKGROUND

Accountability broadly refers to the obligation of individuals or institutions to explain their decisions and actions, to justify them, and to face consequences when they fall short of expected standards (Bovens, 2007). It is the cornerstone of good governance and applies across multiple domains, including political, administrative, social, and financial spheres.

Financial accountability, specifically, refers to the responsibility of government officials and institutions to ensure that public resources are collected, managed, and expended in accordance with laws, regulations, and established procedures (Kim, 2017). It requires compliance with reporting frameworks, auditing standards, and transparent disclosure to prevent corruption, inefficiency, and misuse of funds (Auditor-General South Africa, 2020). The Northern Cape Provincial Government plays a crucial role in delivering essential services and fostering development in the province. However, maintaining financial accountability in public administration remains a complex challenge due to evolving regulatory frameworks, rapid technological advancements, and the need to meet diverse public demands (Auditor-General South Africa, 2020).

Financial accountability does not exist in isolation. It intersects with other forms of accountability such as political accountability, administrative accountability, and social accountability. Political accountability ensures that elected officials are answerable to citizens and legislatures, creating oversight over financial decisions while administrative accountability requires public servants to comply with rules and procedures in managing resources. Last, Social accountability allows civil society, media, and communities to scrutinize government spending and demand transparency. Together, these forms of accountability reinforce financial accountability by creating multiple checks and balances that ensure fiscal discipline, transparency, and integrity (Schedler, 1999).

In a democratic context, financial accountability is essential for maintaining public trust and legitimacy. Democracies depend on the effective allocation of resources to meet the needs of citizens, and misuse of public funds threatens both governance and service delivery. By ensuring transparency in financial matters, governments not only prevent corruption but

also promote equity, responsiveness, and citizen participation in decision-making (Olowu, 2002; Kaufmann, 2005).

The Northern Cape Provincial Government was selected as a case study for this study because it highlights the ongoing challenges in financial accountability within the provincial government sphere. The Auditor-General's reports have repeatedly highlighted weaknesses in internal controls, issues in supply chain management, and financial reporting across provincial government departments. During the 2021/2022 audit cycle, several government departments received negative audit opinions, indicating a failure in their financial accountability mechanisms. The capacity constraints compound accountability challenges, and the political office bearers responsible for oversight are not required to meet minimum competency standards under the Public Finance Management Act (PFMA). The combination of the recurring audit findings, capacity constraints and frail oversight makes the Northern Cape Provincial Government a critical case for examining the institutional and legislative factors shaping financial accountability in South Africa. By identifying and addressing these barriers, the research aims to inform policy recommendations that enhance financial governance in the province. Thus, financial accountability is inseparable from the health of democratic institutions.

The paper is structured as follows: a literature review exploring existing research and theoretical perspectives on financial accountability, a research methodology section outlining the methods used for data collection and analysis, results and a discussion of results, and finally, a conclusion with recommendations aimed at strengthening financial accountability within the Northern Cape Provincial Government.

2.3 Research problem

According to Kgatjepe (2018), the Northern Cape Provincial government is burdened by poor financial accountability and wasteful utilisation of public funds. This is despite the implementation of various public finance management protocols. As a result, the Treasury in the Northern Cape struggles to account for the public finances dispersed to various departments and government institutions. The financial accountability challenges in the Northern Cape resonate with other government departments in South Africa because current data shows that poor financial accountability is crippling performance in the public sector (Naseem et al., 2017).

2.5 THEORETICAL FOUNDATION OF STUDY

This research is grounded on Stewardship Theory from public management and the New Public Financial Management (NPFM) paradigm from financial accountability literature. Collectively, these viewpoints provide a framework for examining the interplay between governance structures, leadership practices, and financial management systems in influencing accountability results within the Northern Cape Provincial Government.

2.5.1 Stewardship Theory

This research employed stewardship theory, which posits that managers and leaders are not self-serving agents, as proposed by agency theory, but rather stewards driven to act in the best interests of the business and its stakeholders (Davis, Schoorman, & Donaldson, 1997). In public administration, stewardship implies that public authorities are obligated to protect resources and provide services efficiently, in accordance with principles of trust, accountability, and the public interest (Van Slyke, 2007). In the context of this research, stewardship theory emphasises the significance of leadership and governance mechanisms in maintaining financial responsibility. It positions executives, including

accounting officers, department heads, and executive authorities, as stewards of public resources who must demonstrate accountability and ethical governance in accordance with the PFMA.

2.5.2 New Public Financial Management Paradigm

The NPFM paradigm applies New Public Management ideas to the financial sector, highlighting accountability, transparency, and efficiency in public resource utilisation. It advocates for policies like accrual-based financial reporting, performance-oriented budgeting, and stringent supervision systems (Guthrie, Olson & Humphrey, 1999; Diamond, 2006). The PFMA in South Africa encapsulates NPFM concepts by mandating yearly financial statements, independent audits conducted by the Auditor-General, and robust internal control mechanisms. This research uses the NPFM paradigm as the conceptual framework to analyse the practical functioning of budgeting, reporting, compliance, and oversight systems within provincial ministries. This research integrates stewardship theory with the NPFM paradigm, recognising both human and institutional aspects of responsibility. Stewardship theory emphasises the leadership function of officials as guardians of public resources, but the NPFM paradigm establishes the financial accountability framework for evaluating their performance. This integrated lens facilitates a comprehensive examination of the interplay between leadership behaviours, governance practices, and statutory finance management systems in shaping accountability results within the Northern Cape Provincial Government.

2.6 EMPIRICAL LITERATURE REVIEW

The following subsections are organized around key themes identified in the literature, with each subheading reflecting a distinct dimension of financial accountability.

2.6.1 Governance and financial accountability

In recent decades, the need for improved governance and financial accountability in public institutions have increasingly been emphasised by several scholars (Abhayawansa, Adams & Neesham, 2021; Androniceanu, 2021). According to Mfene (2013), financial accountability can be demonstrated when public officials comply with legislative requirements and act in the public interest in terms of service delivery and financial management. This underscores the necessity for all financial activities within public institutions to be aligned with the relevant financial legislation and regulations. Adegbite *et al.* (2022:176) highlight that the financial legislation makes strong commitments to financial accountability, outlining mechanisms by which the public holds the government accountable.

Effective financial accountability, characterised by transparent financial management and reporting, is vital for fostering economic growth and development (Masuku, 2019). Public institutions that uphold financial accountability ensure that public officials responsibly manage financial resources effectively (Demircioglu, 2016). Despite increased development assistance (such as public financial management reforms, capacity building and training, international partnership, and donor support) aimed at strengthening financial accountability, significant challenges persist, particularly in developing nations such as South Africa (Song *et al.*, 2022). The public demand for financial accountability continues to grow across all spheres of government (Maama & Marimuthu, 2020). Gasela (2022) further highlights the global expectation for public officials to be held accountable for the utilisation of financial resources. Central to financial accountability is the auditing process, which serves as a cornerstone of financial oversight and transparency.

According to Moolman and Van Der Walddt (2022), a robust financial accountability framework requires effective systems for managing assets and liabilities. Pillay & Qwabe (2021) indicated that such systems enhance financial reporting, budgeting, and the efficient use of limited public resources, contributing to sound financial management. Strong internal control systems enhance the reliability of financial reporting, while Notsi (2012) underscores the importance of financial reporting in promoting transparency and accountability. This is typically achieved through annual reports, which include audited financial statements, the performance report, and audit findings. Financial management, therefore, remains a key driver in ensuring accountability and effective service delivery in South Africa (Notsi, 2012). Furthermore, Moolman (2021) argues that sound financial management strengthens governance by fostering transparency and accountability.

2.6.2 Financial reporting and transparency

Despite these measures, financial accountability in public institutions remains inadequate, necessitating further improvements. On the other hand, citizens increasingly demand clear and accessible reporting on service delivery and financial management (Notsi, 2012). On a global scale, the call for enhanced financial accountability continues to grow, aimed at preventing the misuse of power and state financial resources (Makwetu, 2019). Public officials are under mounting pressure to be held accountable for government spending, with auditing processes serving as a key mechanism in this regard. In South Africa, Chapter 9 of the Constitution mandates the Auditor-General of South Africa (AGSA) to audit all public institutions, while the Public Protector investigates complaints against government officials. Additionally, the Standing Committee on Public Accounts (SCOPA), a parliamentary committee, functions as a watchdog overseeing governance and financial accountability within government departments (Notsi, 2012). To mitigate the risk of fraud and maladministration, government departments implement internal controls (Eton et al.,

2018). In response, the concept of material irregularities was introduced by the Public Audit Act 5 of 2018 in terms of which the AGSA introduced the Material Irregularities (MI) framework to recover significant financial losses from public officials (AGSA, 2022). This framework focuses on issues such as legislative non-compliance, financial misconduct, and fiduciary breaches identified during audits under the Public Audit Amendment Act 5 of 2018, which result in material financial loss or misuse of public resources (AGSA, 2022). Additionally, Gasela (2022) argues that the identification of material irregularities and the consequences thereof for public officials has strengthened governance, accountability, and oversight while acting as a deterrent against financial mismanagement. Nevertheless, unresolved financial accountability challenges persist within the national and provincial spheres of government, also within the Northern Cape Province, reinforcing the need for further investigation.

A comprehensive review of existing research in the field was undertaken to establish a solid foundation by identifying contributions from similar studies and to highlight the knowledge gaps. Modjadji and Ngwakwe (2022) explored the factors hindering financial accountability in South Africa's public sector, identifying key challenges such as the appointment of competent leadership to stabilise institutions and provide effective oversight. The study also highlighted high turnover rates in key positions, particularly among Accounting Officers, which undermines the establishment of stable financial management structures. According to the Public Finance Management Act (PFMA), Accounting Officers have the responsibility of ensuring the effective, efficient, economical, and transparent use of public resources (Makhanya, 2023). However, the literature failed to provide concrete guidelines for improving financial accountability within provincial administrations, highlighting a critical gap that this research seeks to address. Van Wyk

(2003) highlights persistent weaknesses in provincial performance measurement and financial management systems but stops short of outlining clear remedial frameworks. Similarly, Ajam (2016) analyses public financial management reforms across provincial education departments and identifies systemic accountability gaps, yet provides limited direction on actionable solutions for provincial executives. Studies by Sebakamotse and Van Niekerk (2020) and Ngumbela (2021) also underscore governance and oversight weaknesses in sub-national government spheres, emphasising structural and political constraints without offering detailed improvement models. Collectively, these studies expose significant deficiencies in accountability practices but provide insufficient practical guidance, reinforcing the need for research that develops concrete, context-specific interventions for provincial administrations

2.6.3 Oversight, leadership, and political interference

Matebese (2024) examined how corporate corruption is increasing across African institutions, revealing unethical behaviour among top management, a lack of skills, compromised integrity in leadership appointments, and widespread corruption. The study attributed financial mismanagement to a lack of accountability, maladministration, and undue political influence in procurement processes. These findings highlight the pressing need for improved governance across public institutions.

Chipkin (2020) argues that the deployment of politically connected but inexperienced individuals to strategic positions has contributed to poor accountability within the public sector. Sebakamotse and Niekerk (2021) examined oversight and accountability mechanisms, finding that those responsible for oversight often fail in their duties, exacerbating governance issues.

Newman *et al.* (2021) explored the impact of corruption on financial accountability and established a strong link between gaps in financial control systems and corrupt practices. The study revealed that weak controls create opportunities for financial mismanagement and misrepresentation of financial statements. Thus, there is a need for further investigation into the specific challenges and potential solutions, particularly within the context of the Northern Cape Provincial Government departments. Addressing these issues is critical for advancing effective governance and financial management in public institutions. This study seeks to fill these gaps by exploring the factors influencing financial accountability and proposing practical strategies for improvement.

2.7 RESEARCH METHODOLOGY

This study employed a qualitative research approach to explore financial accountability within public institutions, with a specific focus on the Northern Cape province of South Africa. The study adopted a case study research design by Yin (2018), which provides the overall structure for investigating financial accountability within the NCPG. The case study design is appropriate because it permits the in-depth exploration of a modern phenomenon within a real-life context, where the margins or boundaries between the phenomenon (financial accountability) and its context (oversight in the NCPG) are not well defined. The study aims to analyse NCPG with specific attention to government departments and to address research questions related to compliance with the PFMA, internal controls, and audit outcomes, using a qualitative approach. It emphasises the in-depth exploration of participants' perspectives and experiences, enabling the research to capture insights into accountability practices within the NCPG and ensuring the analysis is contextually grounded. A qualitative methodology was appropriate as it facilitated an in-depth understanding of the complex factors influencing financial accountability, governance, and

oversight mechanisms (Creswell, 2014). The study adopted an interpretivist paradigm, which emphasised the subjective meanings and experiences of key stakeholders involved in financial management within the public sector (Saunders, Lewis & Thornhill, 2019). This paradigm enables a comprehensive examination of the challenges, policies, and institutional practices that shaped financial accountability.

2.8 Research design

A case study research design was selected to provide an in-depth analysis of financial accountability within selected government departments in the Northern Cape. This design allowed for a detailed investigation of governance structures, financial reporting mechanisms, and oversight frameworks that influenced financial management in those departments of the NCPG (Yin, 2018). The study examined key themes such as financial compliance, internal controls, audit processes, and the impact of political interference on financial accountability. The research design considered the following various dimensions of financial accountability to ensure a rounded investigation:

- a) Governance structures which include the Executive Authorities, Accounting Officers or Heads of departments, Audit Committees, and Public Account Committee within the Provincial Legislatures.
- b) Financial reporting process, which focuses on the preparation of the financial statements and compliance with the PFMA
- c) Budgeting and appropriations as guided by the PFMA Section 38, which includes the responsibilities of the accounting officers and Section 64, which includes unauthorised expenditures.

- d) Oversight role, which includes the assurance role played by the Auditor-General and the oversight role by the Public Accounts Committee, which enforces accountability.
- e) Leadership and management processes, which include examination of the internal audit functions, budget implementation practices, and in-year monitoring report tools of accountability.
- f) Accountability, which the AGSA covers reports, the audit action plans, management instruments and Treasury circulars.

2.9 Data collection methods

The research utilised multiple data collection techniques to ensure triangulation and enhance the validity of findings (Patton, 2015). Two data collection methods were used. Primary data was gathered through semi-structured interviews with key informants, including senior officials from provincial departments, municipal financial officers, auditors, and representatives from oversight bodies such as the Auditor-General of South Africa (AGSA). These interviews explored participants' perspectives on financial accountability, internal controls, and governance challenges. Data were collected from eleven participants out of a total sample of sixteen. In qualitative research, this level of participation is considered sufficient to achieve data saturation, particularly when respondents are experts or key stakeholders who can provide rich and in-depth insights (Abdul Majid et al., 2018). Moreover, qualitative research does not necessarily require a high response rate to generate meaningful findings. Creswell and Poth (2016) explain that five interviews may be sufficient because qualitative research values depth over quantity, and data saturation can often be reached with a small, focused sample.

Participants included senior government officials, financial managers, and auditors with direct experience in financial accountability practices. The interviews focused on identifying challenges, evaluating existing oversight mechanisms, and exploring potential strategies to strengthen financial governance. In addition to interviews, documentary sources such as audit reports, policy documents, and legislative frameworks were analysed to provide a comprehensive understanding of the financial accountability landscape.

Secondary data was sourced from official audit reports, financial statements, government policies, and statutory documents, including the Public Finance Management Act (PFMA). Additionally, scholarly literature on financial accountability, governance, and public sector financial management was reviewed to contextualise the study within existing research (Bryman, 2016).

2.10 Data analysis

A thematic analysis was employed to identify key patterns and themes emerging from the qualitative data (Braun & Clarke, 2006). This involved systematically coding and categorising interview transcripts to uncover recurring issues related to financial mismanagement, governance deficiencies and compliance with financial regulations. ATLAS.ti software was used to facilitate data organisation and analysis, ensuring a structured approach to theme identification and interpretation (Bazeley & Jackson, 2013). The primary level of analysis was the individual perspective as captured through structured interviews with the accounting officers, financial managers, and other oversight stakeholders. These personal insights were then aggregated and interpreted at the institutional level, focusing on departmental practices and accountability arrangements within the NCPG. Lastly, the patterns across the accountability framework are provided by the PFMA. This multi-level analysis ensured that the study captured both personal

experiences and institutional dynamics, while situating them in the broader accountability context.

2.11 FINDINGS

The key findings derived from the data analysis will subsequently be presented and discussed. The results are structured into two parts, namely the thematic findings, which will be followed by a discussion of the emerging sub-themes from the findings.

2.11.1 Emerged themes and sub-themes

The key themes and sub-themes that emerged from the analysis of interviews with financial and audit professionals will subsequently be presented. The thematic analysis identified core issues related to internal audit functions, financial management, Leadership, and consequence management within governmental agencies.

The themes were developed using both deductive and inductive approaches. The themes were guided by the research objectives (deductive), while the sub-themes emerged directly from the data through an inductive process. The deductive analysis outlines how pre-existing research objectives can guide the theme development, while the inductive approach enables the sub-themes to emerge from the participants and to further ensure that the research findings are grounded in the empirical data. A systematic procedure was followed, which included the initial coding of interview transcripts was conducted, followed by the grouping of related codes into broader categories. These categories were then refined to identify the sub-themes that reflect the key challenges addressed in the study. The identified themes and sub-themes are presented in Table 1.

Table 1: Thematic matrix of the key findings

Number	Theme	Sub-theme
1.	Internal controls and internal auditing processes	Perceptions of the role of Internal auditors.
		Structural limitations
		Management support
		Capacity and resource limitations
		Collaboration between internal audit and risk management
2.	Financial management challenges	Lack of skills and relevant financial qualifications
		Internal controls and systems
		Record-keeping and reporting
		Vacancy rate
		Consequences of financial mishandling
3.	Leadership and governance matters	Processes in decision-making
		Stability and continuity in Leadership
		Political interference
4.	Compliance and regulatory adherence	Training and knowledge of regulations
		management's resistance to compliance
		Staff turnover and compliance challenges
5.	Accountability and consequence management	Accountability enforcement
		Delays in responding to the audit findings
		Cultural attitudes towards accountability
		Consequence management mechanisms

Source: Researchers' own

The key findings that were derived from the data analysis, based on the emerging themes presented in Table 1 above, will subsequently be discussed.

2.11.2 Internal controls and internal auditing processes

In this context, the researcher aimed to explore perceptions and factors influencing the effectiveness of internal audit within the Northern Cape Province. The findings presented here are based on in-depth interviews conducted with key participants working within, or alongside, internal audit functions in government departments across the province. From the data analysed, five sub-themes emerged: namely perceptions of the role of internal

auditors, structural limitations, management support, capacity and resource constraints, and collaboration challenges between internal audit and risk management. Each of these sub-themes is discussed in detail below

2.11.2.1 Perceptions of the role of internal auditors

When participants were asked about their understanding of internal auditing, the findings revealed a significant misconception regarding its theory and practice. Many perceived internal auditing primarily as a fault-finding exercise aimed at penalising non-compliance, rather than as a strategic function that supports organisational improvement. This perception undermines the collaborative role of internal auditors in strengthening governance, risk management, and internal controls.

Several scholarly articles have addressed this misunderstanding. The study done by Olojede, Erin, Asiriwa and Usman (2020) examines the audit expectation gap, highlighting that stakeholders often have unrealistic expectations of internal auditors, including the belief that they are mainly/only responsible for detecting all fraud and errors. According to Mehta (2024), the internal auditor's role is to provide reasonable assurance that the internal controls are effective and, as a result, the financial statements are free from material misstatements, which will not necessarily ensure absolute accuracy.

2.11.2.2 Structural limitations of internal audit functions

During the interviews, participants were asked to identify factors that hinder the effective functioning of the internal audit function within their departments. A prominent issue that emerged was structural limitations, particularly the reliance on a shared services model and the challenges associated with limited resource allocation.

Several participants expressed concern that the centralised nature of the shared services model constrains the ability of internal audit units to respond to the specific needs of individual departments. Although this model may offer certain cost-saving benefits, participants consistently emphasised that it limits audit responsiveness and effectiveness. This sentiment was echoed across interviews, highlighting how the lack of department-specific auditors undermines the potential for meaningful engagement with internal controls, risk management, and performance enhancement. Participants noted that internal auditors often lack in-depth familiarity with the unique processes and challenges

of their respective departments, leading to generic audits that fail to generate actionable insights. Consequently, internal audit is sometimes perceived as a tick-box exercise rather than a strategic partner in governance.

Another participant also observed that the detachment of the internal audit function from departmental operations affects staff perceptions and engagement. Because internal auditors are seen as external actors rather than embedded allies, their recommendations are often met with scepticism or even resistance. This undermines the credibility and uptake of audit findings. As the participant explained. These insights align with Newman et al. (2021), who found that internal audit functions are frequently underutilised, often reduced to fulfilling compliance obligations rather than being leveraged as tools for strategic improvement.

2.11.2.3 Management support

Another factor identified in the study hindering the effectiveness of internal audit is the lack of management support. Interview data revealed that senior managers often demonstrate resistance to complying with the Public Finance Management Act (PFMA), thereby weakening financial governance. Participants also highlighted widespread non-adherence to Supply Chain Management (SCM) regulations, particularly in procurement and tender processes, where established procedures are frequently overlooked. The absence of consequence management for non-compliance with the PFMA further entrenches governance challenges, contributing to a culture of impunity and operational inefficiency. This approach is supported by the study that was conducted on the effectiveness of the internal audit, which needs management's support for it to operate effectively and efficiently. Another crucial dimension in ensuring the helpfulness of the internal audit function relates to the oversight role by the Audit and Risk Committee (ARC). The ARC plays a crucial governance role in ensuring that management displays sustained support for internal audit processes. It achieves this by monitoring management's responsiveness to internal audit findings, tracking the implementation of corrective actions, and holding management accountable for weaknesses in internal audit controls (Kukuiah, 2019).

2.11.2.4 Capacity and resource limitations

As far as the capacity and resource limitations within internal audit units are concerned, several participants noted that understaffing and a lack of continuous training limit the audit

team's ability to conduct comprehensive, forward-looking evaluations. As a result, it hampers the ability of departments to maintain effective financial oversight and respond to emerging risks. Without ongoing professional development and adequate staffing, internal audit teams struggle to meet the demands of evolving governance and compliance standards. The ARC plays a crucial governance role in ensuring these limitations experienced by the internal audit functions are adequately addressed and supported. The ARC ensures that the internal audit function has sufficient staff with appropriate skills (Alqudah et al., 2023). These findings corroborate those of Agayre (2015), which assess the capacity of internal audit units in public institutions to promote good governance. Agayre's findings indicate that factors such as limited technical and professional skills, low motivation, constrained spending on internal audit, and minimal management support limit the internal audit's ability to ensure improved governance.

The persistent lack of adequately trained internal audit personnel not only places additional strain on existing internal auditors but also reduces the overall efficiency and strategic impact of internal audit functions. Addressing this issue requires targeted investment in recruitment, training, and retention strategies to ensure that internal audit teams are adequately resourced to fulfil their mandate effectively.

2.11.2.5 Collaboration concerns between internal audit and risk management

Findings from the interviews also raised concerns about the limited collaboration between the internal audit and risk management functions. They reported that a lack of alignment between these units undermines their collective effectiveness in promoting sound governance. When operating in silos, their capacity to jointly identify, assess, and address risks is significantly weakened. Participants emphasised that a more integrated approach is critical for reinforcing internal controls and enabling a coordinated, proactive response to emerging risks.

According to Kiral and Karabacak (2020), collaboration between internal audit and risk management functions is essential for effective institutional governance. Failure to collaborate can hinder this collaboration, resulting in the overlapping of responsibilities between internal audit and risk management, which can lead to duplication of efforts.

The absence of collaboration results in fragmented oversight, duplication of efforts, and missed opportunities for strengthening risk mitigation strategies. To enhance institutional

resilience and accountability, there is a need for greater synergy between internal audit and risk management, fostering a more cohesive and strategic approach to governance.

2.11.3 Financial management challenges

As far as financial management challenges are concerned, the following sub-themes were identified: namely, lack of skills and relevant financial qualification, internal control deficiencies, record-keeping challenges, and consequences of financial misconduct. These sub-themes will subsequently be elaborated on.

2.11.3.1 Lack of skills and relevant financial qualifications

Findings from the interviews revealed that many employees in key financial and supply chain management (SCM) positions lack the necessary qualifications and expertise. A critical skills gap was highlighted, particularly in financial decision-making and eventually in accountability. The absence of continuous professional development further exacerbates the issue, as financial and SCM officials must stay up to date with evolving financial regulations, management practices, and industry standards. Without ongoing training, officials may struggle to adapt to changes, leading to inefficiencies and potential financial mismanagement.

The appointment of underqualified personnel poses significant risks to financial governance (Novatiani et al., 2024). According to Vardarlier (2021) stated that talent management is an important as strategic approach to ensuring that organisations appoint competent professionals who are fit for purpose. Similarly, Anantharaman and Henderson (2023) argue that employing qualified financial experts enhances the accuracy and reliability of financial reporting, strengthening competitiveness, financial performance and promoting effective resource management.

2.11.3.2 Internal control deficiencies

One of the challenges affecting good financial management in the government departments of the NCPG is internal control deficiencies. According to the findings, there are significant weaknesses in the institutional control systems, particularly deficiencies in financial internal controls and the absence of clear policies governing financial

management processes. Additionally, all participants highlighted a lack of consequence management for poor performance or violations of financial management policies.

Participants further emphasised that weaknesses in internal controls and business systems create opportunities for financial mismanagement, corruption, and fraud. Without robust control mechanisms and regular oversight, departments become increasingly vulnerable to fraudulent activities, errors, and the deliberate mismanagement of financial resources.

2.11.3.3 Record-keeping challenges

Poor record-keeping as a recurring challenge was highlighted. Inadequate record management was specifically identified. Poor record-keeping, the failure to conduct monthly reconciliations, and delays in submitting in-year monitoring reports to the Provincial Treasury were also indicated as factors that negatively impact financial reporting processes.

According to Mosweu (2011), poor records management practices was also indicated in the audit findings of the selected government departments. Mosweu (2011) argued that poor records management practices impede proper accountability for the utilisation of limited public resources.

Tintswalo, Mazenda, Masiya, and Shava (2022) investigated the extent to which records management enhances good governance, effective administration and service delivery at Statistics South Africa to determine how far sound records management goes in enhancing the public services, accountability, transparency and good governance. The study found a positive correlation between records management and effective service delivery, indicating that effective record management plays a crucial role in enhancing service delivery. The study accentuates that good record management enhances accountability. The repetitive poor record-keeping findings are affecting compliance with reporting obligations and further weakening and deterring the organisation's ability to prepare for audits and imposing an impediment on the turnaround time to respond to those charged with governance.

2.11.3.4 Consequences for financial misconduct

Most participants identified the lack of consequence management for the mismanagement of government funds as a critical challenge. They emphasised that without accountability for financial misconduct, there is little incentive to improve practices, allowing inefficiencies within organisations to persist. It was indicated that despite repeated financial

mismanagement, there are no serious consequences, and indicates a breakdown of organisational accountability.

The lack of consequences management creates an environment where the employees are not motivated or forced to improve on compliance. This stagnation of the discipline in financial matters directly affects the service delivery and further impairs the public's confidence in the public institutions.

These findings underline the importance of the consistent application of disciplinary measures and organisational consequence management as a deterrent of any form of financial misconduct.

2.11.4 Leadership and governance matters

This theme explores the leadership and governance challenges that affect internal controls, auditing processes, and financial management practices within the public sector. Participants were therefore asked to describe factors that hurt effective Leadership within their respective departments. The findings from the interviews revealed three key concerns: which relate to decision-making processes, leadership stability and continuity, and political interference. These concerns will subsequently be elaborated on.

2.11.4.1 Processes of decision-making

Participants highlighted a lack of urgency in decision-making as a critical issue that often hinders the department's ability to respond effectively to emerging challenges. They attributed these delays to communication barriers among leaders, which create confusion, conflicting priorities, and inefficiencies.

From the data that was collected during the interviews, such bureaucratic inefficiencies not only hinder timely decision-making but also undermine overall governance and service delivery. Addressing these challenges requires improved communication, streamlined administrative processes, and greater organisational agility. The findings of this study align with those of Sari (2023), who emphasises the impact of good governance on the quality of decision-making in public management. Sari argues that decision-making in the public sector is a complex yet vital process in fulfilling government functions. Effective, well-informed decisions can lead to positive societal change and significantly contribute to the achievement of development goals.

2.11.4.2 Stability and continuity in Leadership

All participants identified the high turnover in leadership positions as a significant challenge, which disrupts long-term planning and undermines strategic consistency in the longer term. Frequent leadership changes also create instability, which makes it challenging to implement sustainable policies and initiatives effectively.

This lack of continuity also weakens institutional memory and affects decision-making processes, which ultimately impacts on the efficiency and effectiveness of public sector governance. Maroga, Schultz and Smit. (2024) explores the notion of how succession planning influences the relationship between self-leadership and turnover intentions in South African institutions. The concept of succession planning refers to the process of identifying talent, developing and preparing the identified talented employee to take on the leadership position critical within the organisation in the future (Maroga et al., 2024). These findings suggest that effective succession planning can mitigate turnover intentions by fostering self-leadership among employees.

2.11.4.3 Political interference

Political interference was identified as a significant challenge during the interviews, which frequently undermines objective decision-making and diminishes managerial effectiveness. All participants underscored its profound impact and highlighted it as a persistent issue that officials struggle to deal with. Some participants further noted that political leaders often resist change, obstructing departments from adopting innovative practices.

The findings corroborate the study carried out by Sebola (2020) on the government departments, where the study revealed that the political interference often affects the decision making in government departments and concluded that the interference often affects the decision making and concluded that the interference in operational decisions, procurement, and recruitment severely undermines the governance and service delivery.

2.11.5 Compliance and regulatory adherence

The objective of this theme is to explore the key barriers to regulatory adherence and financial accountability within NCPG departments. During the interviews, the following concerns were identified as obstacles to compliance with the PFMA, which include training

and knowledge of regulations, management's resistance to compliance, the accountability framework, and staff turnover as well as challenges with compliance in terms of PFMA. These concerns will subsequently be elaborated on in detail.

2.11.5.1 Training and understanding of compliance

The participants highlighted that the lack of proper staff training is a significant factor contributing to non-compliance with PFMA, which could ultimately expose the organisation to violations of the provisions of the PFMA and Treasury regulations. The absence of adequate training, therefore, leaves staff ill-prepared to understand and implement the necessary regulations and as a result, increases the risk of non-compliance and exposing the government departments to potential legal, financial, and reputational risks. According to Dza et al. (2019), most factors that cause non-compliance with public procurement and contract management regulations and prescripts are related to critical components, such as a lack of knowledge of the regulations and the incompetence of staff.

2.11.5.2 management's reluctance to comply

All participants emphasised that non-compliance with regulations remains a critical challenge, particularly when there is a lack of commitment from management. Without strong managerial support, compliance initiatives struggle to gain traction, often leading to mere superficial adherence rather than meaningful compliance. Some participants further noted that frequent changes in key personnel occupying crucial positions disrupt continuity in compliance efforts, which makes it difficult to sustain long-term regulatory adherence. The absence of a compliance-driven tone from the top weakens the credibility and sustainability of compliance with legislation and regulations within the NCPG. These findings in terms of this sub-theme underline the importance of leadership commitment and consistent enforcement of compliance with legislation and regulations to promote good governance and improved service delivery, audit readiness and improved audit outcomes.

2.11.5.3 Turnover results in non-compliance

High staff turnover was a recurring issue that most participants highlighted. They pointed out that frequent changes in key staff positions often lead to non-compliance because they disrupt continuity in compliance efforts. Additionally, the reliance on acting officials in these critical roles further undermines accountability, as these temporary appointments often do not possess the ability to create stability, as well as lack the expertise necessary to

maintain compliance with the legislation, regulations and standards. Phatundi (2011) examines the impact of staff turnover on performance within the Department of Public Works, Roads and Transport in NWPG. It was found that high turnover in internal audit staff has negatively affected both institutional and employee performance, which leads to challenges in maintaining compliance with internal auditing standards.

2.11.6 Accountability and consequences management

The objective of this theme is to examine the effectiveness of consequence management practices in addressing financial accountability failures within government departments. The following concerns were raised during the interviews: namely, weak accountability enforcement, delays in responding to audit findings, negative cultural attitudes towards accountability, and inadequate consequence management mechanisms. These concerns will subsequently be elaborated on in detail.

2.11.6.1 Weak enforcement of accountability

Participants highlighted that the inconsistent application of accountability creates a culture of financial misconduct. They further noted that an embedded culture of avoidance and blame-shifting also undermines meaningful service delivery and erodes accountability within many departments.

According to Sindelo and Cronje (2024), there is a lack of accountability in the South African public sector has created room for corruption. It argues that not holding senior public officials accountable leads to the mismanagement of public funds and fraudulent activities, thereby undermining good governance.

2.11.6.2 Late response to the audit findings

The participants highlighted that delays in responding to both internal and external audit recommendations significantly have a negative affect on the improvement of service delivery. These delays often result in missed opportunities for addressing inefficiencies, rectifying issues, and implementing necessary changes. Consequently, the government departments are unable to take timely corrective actions, which affects their ability to enhance performance and ensure the delivery of high-quality services. This sluggish response to audit findings undermines the overall accountability framework and slows the pace of necessary reforms, ultimately impacting the effectiveness of service delivery.

The findings of this study are also supported by Menzi and Gaspar (2022) on Factors Influencing the Implementation of the public sector audit. The research emphasises that delays and failures in acting on audit findings can perpetuate inefficiencies and negatively impact service delivery.

2.11.6.3 Consequence management mechanisms

The participants highlighted a significant misalignment of responsibilities within government departments, with unclear roles and responsibilities contributing to oversight gaps. This ambiguity hampers the ability to hold individuals accountable for their actions, which in turn weakens the effectiveness of the government departments. When roles are not clearly defined, it becomes difficult to establish proper mechanisms for managing consequences, as there is confusion over who is responsible for what. This lack of clarity further undermines the enforcement of accountability measures, leading to reduced institutional efficiency and effectiveness. The failure to properly enforce consequence management mechanisms also exacerbates the issue by allowing performance lapses and non-compliance to persist without appropriate repercussions. Moji, Nhede and Masiya (2022) investigated challenges hindering effective oversight in South African municipalities. It highlights that unclear roles and responsibilities among oversight bodies contribute to oversight gaps, leading to poor governance and service delivery failures. The authors recommend clarifying mandates and enhancing coordination among oversight entities to address these issues.

2.12 CONCLUSION

This study sought to explore and understand the systemic challenges impeding financial accountability and internal audit effectiveness within the Northern Cape Provincial Government. Guided by themes identified, the research examined factors affecting internal controls and auditing processes, financial management practices, Leadership and governance, regulatory compliance, and accountability enforcement. First theme

The Northern Cape Provincial Treasury faces significant challenges in enhancing financial accountability within government departments. Despite allocating funds by departmental mandates and strategic objectives, ineffective utilisation of public funds persists. This inefficiency raises serious concerns about oversight, compliance, and the broader impact on service delivery and public trust.

To address this problem, a qualitative research design was employed, using semi-structured interviews with key officials across selected government departments. This approach enabled an in-depth exploration of participants' experiences and perceptions of financial oversight mechanisms, providing rich insights into the operational and institutional dynamics that affect financial accountability. The findings were organised, arranged and analysed based on the following core themes identified: (1) internal controls and auditing processes, (2) financial management challenges, (3) leadership and governance matters, (4) compliance and regulatory adherence and lastly (5) Accountability and consequence management.

First theme, the findings revealed several interrelated issues undermining audit effectiveness, including structural limitations of the shared services model, inadequate management support, resource constraints and poor collaboration with the risk management unit. These challenges reflect a perception gap regarding the role of internal audit, which is often undervalued as a compliance tool rather than a mechanism for strategic governance.

Second theme: the study identified crucial constraints, including insufficient financial skills, outdated internal control systems, record-keeping challenges, high vacancy rates, and a lack of deterrents to financial misconduct. These gaps weaken institutional capacity and increase vulnerability to mismanagement and corruption.

Third theme: Leadership and governance concerns, such as inconsistent decision-making, leadership instability, and political interference, further destabilise departmental performance and hinder long-term financial planning.

Fourth theme: the study confirmed that governance weaknesses are compounded by poor regulatory compliance, specifically Treasury regulations and PFMA, stemming from inadequate training, resistance by senior management to embrace oversight accountabilities, and extreme turnover in compliance-related positions. Compliance is crucial within the organisation to institutionalise the values and systems required to ensure ongoing regulatory compliance.

Fifth theme, the study found the absence of a strong culture of accountability. Delayed responses to audit findings, unclear consequence management mechanisms, and cultural indifference to oversight responsibilities have collectively undermined financial discipline and public trust in governance systems.

2.13 RECOMMENDATIONS AND CONCLUDING REMARKS

In response to the study's themes, particularly the need to recommend measures to improve audit outcomes and financial accountability, the following overarching strategies are proposed:

2.13.1 Internal control and audit process

The internal audit perception gap, capacity constraints, and structural limitations can be addressed by repositioning internal audit as a strategic governance tool supported by adequate resources. Modernising the internal controls and record-keeping system will assist by ensuring that accurate financial information is readily available for audit purposes, and lastly by imposing measures to prevent financial misconduct consistently.

2.13.2 Financial management challenges

The skill gap can be tackled by professionalising the public sector, strengthening financial management systems through capacity-building, recruiting skilled personnel, and offering ongoing training in supply chain management and public finance.

2.13.3 Leadership and governance matters

To overcome the leadership instability and governance inefficiencies, it is crucial to promote leadership stability and continuity by introducing succession planning and reducing the reliance on acting appointments in the key positions. Furthermore, the governance functions should be shielded from political interference by supporting institutional autonomy and the perpetuation of merit-based appointment.

2.13.4 Compliance and regulatory adherence

Institutionalise regular compliance training and enforce regulatory frameworks for all financial and managerial staff and strengthen compliance culture by ensuring that compliance is embedded in the organisation's daily operational practices. Steady compliance capability by minimising the staff turnover and continuing to fill compliance roles with competent and permanent staff.

2.13.5 Accountability and consequence management

It is important to cultivate a culture of accountability by ensuring clear responsibilities, expectations and timelines for responding to the audit findings, implementation of vigorous consequence management measures by ensuring well-defined disciplinary processes, transparent reporting structures and unwavering enforcement and lastly, foster ethical leadership that models integrity and accountability to improve public confidence and organisational performance.

By embracing these reforms, the Northern Cape Provincial Government can enhance financial accountability, rebuild public trust, and significantly improve service delivery. The study concludes that sustainable improvement in audit outcomes and financial management depends on the collective commitment of leadership, oversight institutions, and frontline personnel to embed integrity, transparency, and professionalism into the core of government operations.

Based on the scope of this study, the upcoming research could explore other areas, such as the effectiveness of the internal audit shared service within the provincial government and further examine its long-term impact on audit outcomes. Furthermore, comparative research can be conducted between provinces with consistent clean audits and those with recurring adverse audit outcomes, which could offer valuable insights into governance practices. A further qualitative study involving audit committee members, internal auditors, and provincial treasury officials would help enhance understanding of the barriers and foster financial accountability. The role of data analytics and digital governance tools in enhancing financial oversight in the public sector remains an underexplored area that warrants further investigation.

2.14 DECLARATION OF INTEREST

The authors declare that they have no competing financial interests or personal relationships that could have appeared to influence the work reported in this paper. The manuscript was derived from a master's dissertation submitted by the author to the Faculty of Economic and Management Science, North-West University, South Africa, 2024.

CHAPTER 3: CONCLUSION

The study set out to explore the factors affecting the financial accountability and resulting in the negative audit outcomes within the Northern Cape Provincial Government. The study used qualitative research methodology and collected data through interviews with the knowledgeable departmental officials. The study sought to unpack the organisational weaknesses continuing to deter the effective and efficient public financial accountability. The key main objective was to establish the key barriers and further propose mitigating or recommendations to enhance the audit outcomes, improve accountability and improve compliance within the Northern Cape Provincial Government. Table 3.1 explains how each objective was achieved.

Table 3.1. Summary of objectives achieved.

Objective Type	Objective	How the Objective Was Achieved
Theoretical Objective	To explore the concept of financial accountability within the public sector context.	A comprehensive review of literature on financial accountability, public sector governance, audit outcomes and legislative frameworks (PFMA, MFMA and related standards) was conducted to establish the theoretical foundation.
Theoretical Objective	To explore factors impeding financial accountability in the Northern Cape government departments.	Related academic literature, Auditor-General reports and government publications were analysed to identify common factors affecting financial accountability, such as internal control weaknesses, capacity constraints and governance challenges
Empirical Objective	To determine the state of financial accountability within the Northern Cape Provincial Government.	Secondary data analysis was conducted using Auditor-General reports, annual reports and financial statements of provincial departments to evaluate audit outcomes and accountability indicators.
Empirical Objective	To recommend measures that will improve audit outcomes within the Northern Cape Province.	Findings from the empirical analysis were evaluated and compared with best practices from the literature to develop practical recommendations aimed at improving financial accountability and governance

Objective Type	Objective	How the Objective Was Achieved
Empirical Objective	To provide recommendations based on the findings of the aforementioned factors.	Synthesis of theoretical insights and empirical findings was undertaken to formulate evidence-based recommendations to strengthen financial accountability and improve audit performance in provincial departments.

The findings were structured into five core thematic areas, which are internal audit and audit process, financial management challenges, leadership and governance matters, compliance and regulatory adherence and lastly, accountability and consequences management. These themes are interconnected and collectively they demonstrate the issues of financial accountability and governance and not only focusing on the technical shortcomings but rather engrained organisational leadership deficiencies, cultures and fragmented systems within the Northern Cape Government departments.

3.1 Internal audit and control processes

The findings related to the internal audit and control processes, where the study highlighted and emphasised a common misapprehension regarding the purpose of the internal audit, which is often viewed by the stakeholders as a fault-finding mechanism rather than a strategic governance instrument. This perception hurts the credibility of the internal audit functions. Furthermore, the internal audit shared services model currently employed within the province has been seen to have both weaknesses and strengths, while it's deemed by the provincial government to be more cost-effective. This internal audit shared service model restricts the internal audit function's ability to respond amenably to the organisational-specific risk and dynamics. These structural limitations, combined with limited resources and minimal collaboration between risk management units and the internal audit function, strictly limit the capacity of the internal audit division to operate optimally to fulfil its mandate.

3.2 Financial management challenges

In this thematic area, the study discovered the critical financial management challenges, which include the severe scarcity of competent and qualified officials in crucial financial and supply chain management positions, poor record keeping, and internal control deficiencies that expose departments to financial maladministration and embezzlement. These deficiencies are likely to compromise the integrity of the financial reporting, affect the audit readiness and further erode the capacity to make sound evidence-based decisions. The absence of qualified professionals within financial roles means that the departments often lack the foresight and technical expertise needed to administer the public financial resources more responsibly. Additionally, the skills gaps mentioned above are exacerbated by failure to invest in continuous professional development, the absence of appropriate oversight tools and extensive disregard for established financial protocols.

3.3 Leadership and governance matters

The third theme relates to leadership and governance matters. Participants overwhelmingly specified that the high staff turnover of senior officials, impulsive decision-making, and pervasive political meddling significantly destabilise a government department's stability and long-term strategic planning. Instability in leadership disrupts continuity and further creates a vacuum in leadership, which further weakens accountability. Moreover, the political interference in this process is compounded by the issues by skewing decision-making and weakening merit-based appointments. Such interference often fallouts to resistance to improvements and hinders the implementation of progressive governance practices. It's worth noting that if the organisational leadership is feeble and inconsistent, it creates and causes a lot of confusion, blocks new ideas, and makes it harder to hold officials accountable, and this kind of behaviour holds the organisation back.

3.4 Compliance and regulatory adherence

The regulatory compliance with the PFMA and Treasury regulations emerged as a critical

area of concern. The evidence confirms that the compliance practices remain inconsistently applied, not sufficiently embedded within departmental systems and organisational cultures. The noteworthy contributing influence is the limited capacity and awareness among staff in relation to applicable finance legislation and regulatory frameworks. The knowledge gap is compounded by lack of training and professional development initiatives focusing on compliance functions. Furthermore, the absence of a durable leadership commitment to enforce regulatory compliance weakens efforts to institutionalise sound financial accountability. A major concern is the inconsistent application of consequence management and reluctance to hold people accountable in the event of non-compliance matters. All these factors impede and weaken the financial accountability

3.5 Accountability and consequence management

This theme discovered a widespread failure in enforcing a culture of accountability. The study revealed that the audit findings are sometimes overlooked, consequence management systems are not applied consistently, and departmental oversight mandates are uncoordinated. The participants highlighted the concerns regarding the clear disciplinary measures, insufficient enforcement of consequence management and absence of a tone from the top or ethical leadership. Moreover, the lack of effective response to the audit findings imposes meaningful consequences for financial misconduct, sending a message that mismanagement will not be penalised. Considering together all the findings indicates a deep-seated nature of the challenges facing financial accountability in the Northern Cape Government. Building sustainable enhancement of the audit outcomes and financial management needs a focused and multi-pronged approach which includes the professionalisation of the internal audit services, risk management and financial management and the realignment of the structural model share services, targeted investment in human capital and further enforcement of the ethical leadership, succession plan. Additionally, encouraging closer collaboration between risk, audit, compliance, and management functions is critical to closing existing governance gaps

Based on the evidence collected and analysed, the study concludes that meaningful improvements are possible and require an unwavering political willingness, consistent

implementation of the policies, coordinated efforts by both oversight institutions, including the departmental leadership. Improving the financial accountability cannot solely be the responsibility of financial management, internal auditors or compliance officers, but rather a collective mandate that involves all different layers of the public administration, from the executive management level, line departments, to financial officials, including the governance structures such as the audit committee. It's worth noting that without a unified effort, the Northern Cape province faces the risk of continued financial underperformance, declining audit outcomes, and this will erode public confidence.

3.6 Limitations of the study

Although the study has its strengths, it also faces notable limitations that open up opportunities for future research. These limitations are recognised, especially in terms of the scope and sample size, but it affords a strong foundation for future research. Further studies might explore the impact of shared internal audit services on audit outcomes or undertake a relative analysis across provinces to identify best practices. Furthermore, there is room to investigate the data analytics and role of digital tools to enhance financial oversight within the public sector. This research could further improve discourse on governance improvement and contribute to more accountable, transparent and effective and efficient administration systems in South Africa.

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ANNEXURE A – List of interview questions

My name is Khotso NKOE, and I am Master of Commerce student in Accountancy at the North-West University. I am conducting research titled 'Investigating challenges of financial accountability in the Northern Cape Provincial Government'. The information collected will be used solely for academic purposes and treated with strict confidentiality. Participation is voluntary, and you are not required to disclose your name. Kindly answer the questions below which will take approximately 10- 15minutes.

Instructions:

Please answer all questions as honestly as possible. Tick (✓) or circle the option that best reflects your views and provide explanations where necessary.

Part 1: Demographic Information

1. Gender: ☐ Male ☐ Female ☐ Prefer not to say
2. Age group: ☐ 18–25 ☐ 26–35 ☐ 36–45 ☐ 46–55 ☐ 56+
3. Highest educational qualification: ☐ Matric ☐ Diploma ☐ Bachelor's degree ☐ Postgraduate ☐ Other (specify) _____
4. Current position: _____
5. Years of work experience in current position: ☐ Less than 1 year ☐ 1–3 years ☐ 4–6 years ☐ 7–10 years ☐ Over 10 years

Part 2 – Research questions

No	Research questions	Comments
2.1	Describe any factors that hinder the effective functioning of the internal audit function in the department.	

No	Research questions	Comments
2.2	Describe any challenges related to good financial management in the department.	
2.3	Describe any challenges related to the financial reporting process that the department experiences.	
2.4	Describe any factors that hinder effective leadership in the department.	
2.5	In your view, describe the factors that prevent the departments from obtaining unqualified audit opinions or clean audits.	
2.6	In your view, what are the factors hindering good financial management?	
2.7	In your view, what are the factors hindering compliance with the Public Financial Management Act (PFMA)?	
2.8	Describe the consequence management process that is in place when a lack of financial accountability is detected.	

No	Research questions	Comments
2.9	How do you think that financial accountability can be improved so that government departments can obtain unqualified audit opinions or clean audit outcomes?	