



The Ripple Effect of Poor Leadership Stability on Public Sector Audit Outcomes

Subtitle: Insights from Global Best Practices and Academic Frameworks

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Introduction

Overview of the Topic

- Importance of leadership stability in public sector governance.
- Impact on audit outcomes and overall public sector performance.

Objectives of the Presentation

- To explore the relationship between leadership stability and audit outcomes.
- To provide insights from global best practices and academic frameworks.



Understanding Leadership Stability

Definition and Importance

- Leadership stability refers to the consistency and continuity of leadership within an organization.
- Essential for strategic direction, policy implementation, and organizational culture.
- Allows for consistent implementation of long-term goals and policies.

Impact on Public Sector Organizations

- Stability fosters trust, accountability, and effective governance.
- Enables consistent planning and follow-through on service delivery strategies,
- It fosters collaboration with stakeholders and builds strong, long-term relationships.



Understanding the role of leadership

- Leadership, in consultation with key stakeholders, develops the shared vision of the organisation. The clear vision provides direction and empowers everyone to see the bigger picture.
- Leadership is the art of developing long-term strategies, setting goals, and monitoring implementation plans to ensure that goals and objectives are met, leading to sustainable growth (Ndaba, 2023)
- Leadership is the ability to influence others in a particular direction.
- Leadership may be formal, informal, and not necessarily linked to hierarchal positions. This also enables shared responsibility to achieve the goals and objectives of the organisation.



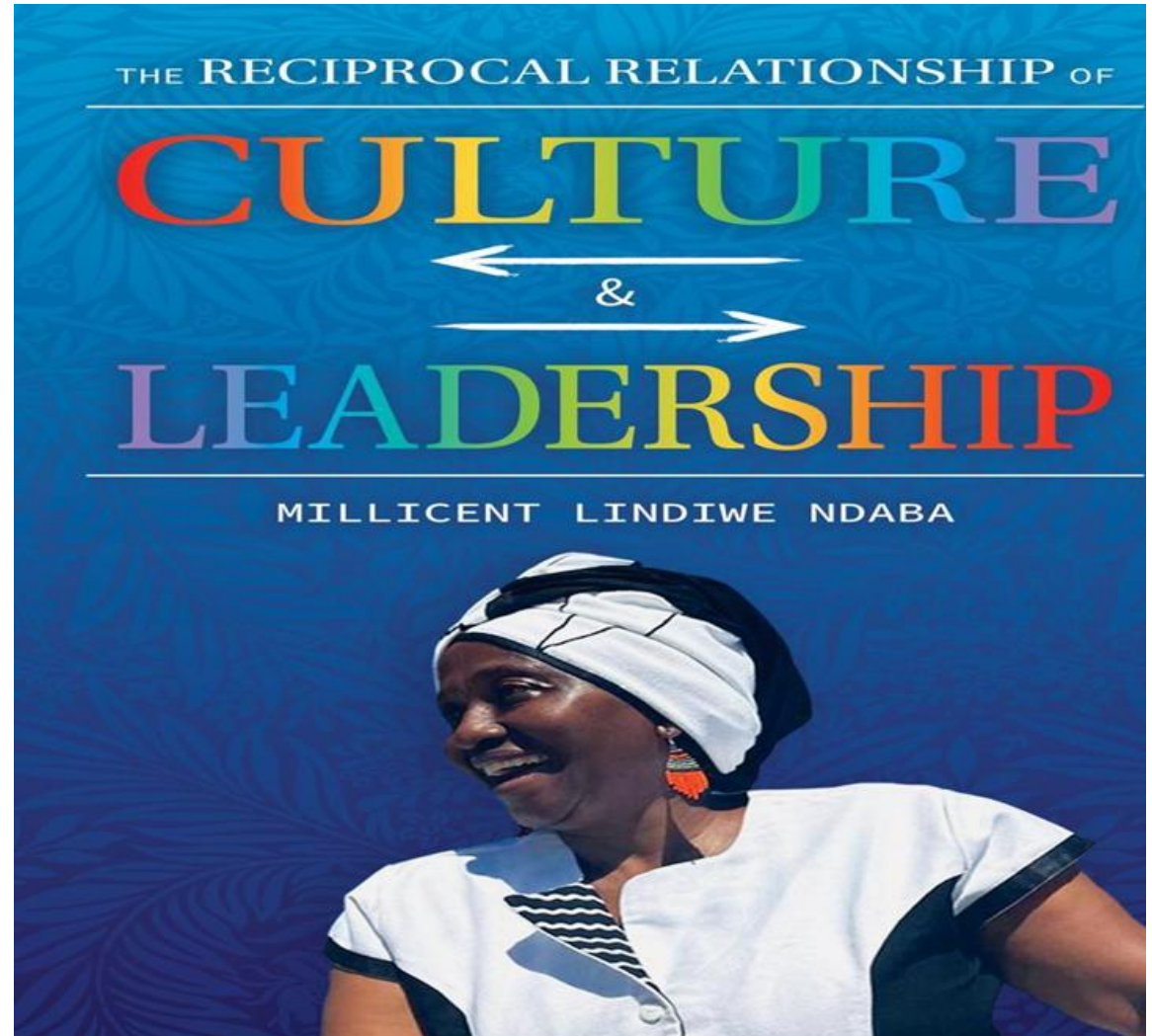
The Reciprocal Relationship of Culture and Leadership (Ndaba, 2024)

Key Insights from the Book

- Culture and leadership are interdependent.
- Ubuntu, resilience, and inclusivity in diversity as core cultural traits influencing leadership behaviours.
- Strong, ethical leadership reinforces a positive culture and that in return supports leadership effectiveness

Application to Public Sector

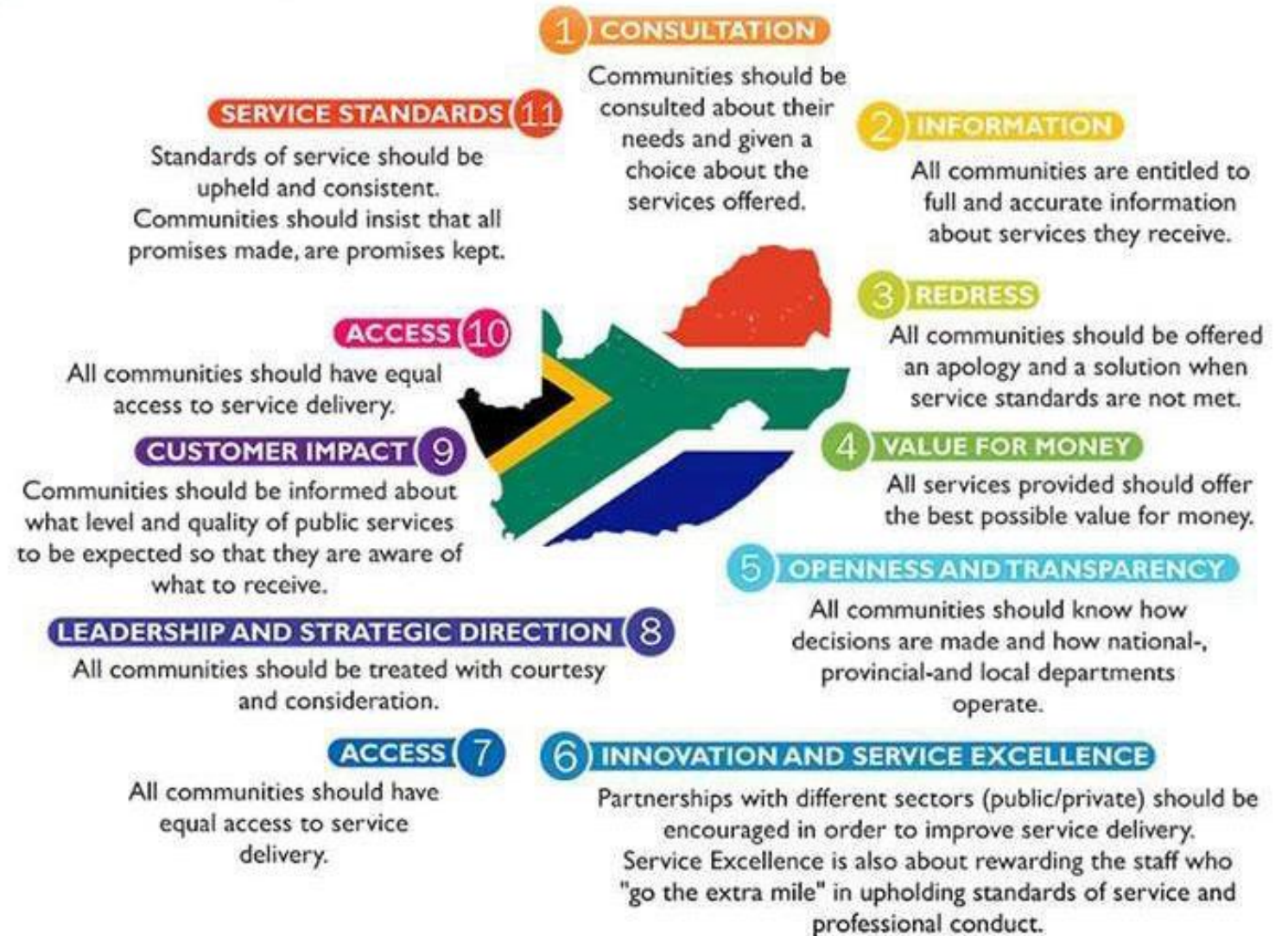
- How these cultural traits can enhance leadership stability and audit outcomes.
- Ubuntu promotes fairness and responsibility which are important traits in ensuring clean audit outcomes
- Culture supports leadership stability as when leaders align with the organisation's cultural values, they are more likely to be accepted, supported and retained.



Batho Pele Principles

The Batho Pele Principles guide how services should be delivered and are very crucial for organisations.

They help organisations become more effective, ethical and Citizen focused which leads to better Governance and service outcomes.



Global Best Practices in Public Sector Governance

International Framework: Good Governance in the Public Sector

- Developed by International Federation of Accountants (IFAC) and Chartered Institute of Public Finance and Accountancy (CIPFA)
- Principles for good governance: integrity, transparency, stakeholder engagement, and accountability.

Key Principles

- Behaving with integrity and ethical values.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable benefits.
- Managing risks and performance through robust internal control.

[International Framework: Good Governance in the Public Sector](#)

[INTERNATIONAL FRAMEWORK: GOOD GOVERNANCE IN THE PUBLIC SECTOR - CIPFA](#)



Leadership Stability and Audit Outcomes

Impact of Poor Leadership Stability

- Disruption in strategic direction and policy implementation.
- Increased risk of corruption and inefficiency.
- Negative effects on audit quality and accountability.

Examples of poor Leadership Stability in Audit Outcomes

- **Frequent leadership turnover** disrupts continuity, resulting in delays, weak financial reporting, and repeated audit findings.
- **Prolonged acting appointments** limit accountability and hinder effective decision-making, often leading to irregular expenditure.
- **Political instability** undermines administration, causing governance breakdowns and poor financial oversight.
- **Failure to implement audit recommendations** reflects weak accountability, leading to repeated negative audit opinions
- **Disruption of long-term plans due to unstable leadership** results in fragmented service delivery and poor audit performance.



Measuring Audit Outcomes

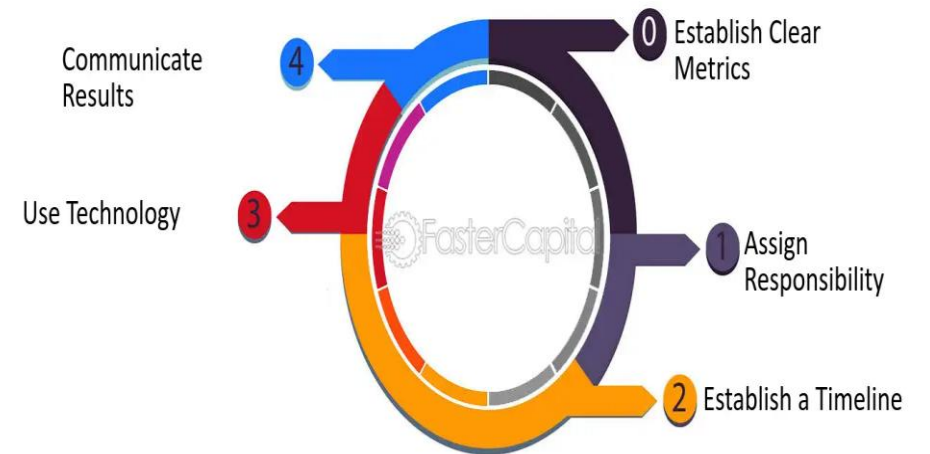
Current Literature and Insights

- Focus on performance auditing too and not only financial auditing.
- Importance of follow-up procedures to monitor audit recommendations.

Key Metrics

- Implementation rate of audit recommendations.
- Use of quantitative and descriptive indicators.

Monitoring and Measuring the Impact of Audit Findings



[pdf Measuring supreme audit institutions' outcomes: current literature ...](#)

[Exploring past, present and future trends in public sector auditing ...](#)

Strategies of Enhancing Leadership Stability

Developing a Culture of Stability

- Promoting values of Ubuntu, resilience, and inclusivity.
- Implementing servant, agile, and transformational leadership.

Practical Steps

- Leadership development programs.
- Succession planning and talent management.
- Strengthening governance frameworks.





Conclusion

- **Summary of Key Points**

- The critical role of leadership stability in public sector governance.
- The positive impact on audit outcomes and overall organizational performance.

- **Call to Action**

- Encouraging public sector organizations to prioritize leadership stability.
- Adopting global best practices and cultural insights for improved governance.



Questions..

