Chapter

Addressing the Endemic Consequences of Corruption in the South African Local Government Public Sector

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Abstract

Corruption is a broad concept involving various acts perceived to be illegal or unethical at the very least. Corruption is informally defined as any act which unfairly or illegally influenced a decision-making process, through giving or receiving of a benefit (monetary or otherwise) to the decision-maker or another party connected to the decision-maker. South Africa (SA) is known for its well-developed framework to promote sound public administration, consisting of the Constitution, supportive legislative instruments including the Public Finance Management Act, Municipal Finance Management Act and various National Treasury Regulations and Notices. Sadly, SA is also known for high levels of fraud, corruption and collusion amongst public officials with apparently very little consequence management to date. Corporate governance was institutionalised in South Africa (SA) through the four King Reports, which have since 1994 served as cornerstones with a Code of Good Practices and Conduct to promote ethical standards and curbing corruption in corporate governance. The article aims to draw conclusions from an in-depth comparative qualitative literature review of national legislative documents, reports and recent articles to determine the extent of corruption and how effective the current SA Public sector corporate governance framework measures at local government level are implemented.

Keywords: corruption, corporate governance, accountability, consequence management

1. Introduction

Accountability refers to 'being answerable for one's behaviour or actions' [1, 2]. Financial accountability describes the process accounting by officials of the manner in which public funds, in this case, at local government or municipal level, have been used to implement municipal policies as approved by its council [2, 3]. In a 2019 media release by the Auditor-General South Africa (AGSA), the lack of accountability was flagged as the major cause of poor local government audit results in South Africa [4].

The AGSA reports on municipal performance have consistently over the years highlighted governance issues affecting municipalities; however, analysis of the audit result trends over the period 2015/16–2021/22 demonstrated limited action on recommendations by the AGSA to address the identified shortcomings. According to AGSA, widespread monitoring and control breakdowns were found at a significant number of the 257 municipalities within South African local government environment [5], resulting in fiscal resources either misused or misappropriated or not appropriately accounted for as required by South African public finance management laws. 'Evidence of these is largely incomplete projects, unsupervised projects, lack of maintenance of significant service delivery infrastructure and haphazard road maintenance projects and infrastructure'[4].

2. Corruption contextualised

The Prevention and Combating of Corrupt Activities Act 12, 2004 (PCCAA) criminalises corruption in South Africa [6]. The PCCAA, as cited by Bernstein and Shaw, defines corruption as 'where an individual either directly or indirectly receiving or giving an intention to receive a form of gratitude from another individual or offers or approve to provide a gratitude to some other individual for his or her benefit or for another, and the offering or acceptance is conducted in order to influence the other party to perform in an inappropriate way, in the functioning of that individual's duties [7]'.

As a member state to the New Partnership for Africa's Development (NEPAD), South Africa prescribes to its strategic priorities, which amongst others require adherence to good governance values including but not limited to political, economic and corporate governance [8]. Poor levels of corporate governance, resulting in corruption without apparent and decisive consequence management, are currently some of the issues dominating the news and public discourse in South Africa and beyond its borders.

The Constitution of the Republic of South Africa, 1996, with specific reference to Section 195, prescribes public administration governance in line with democratic values and principles, being '(i) the promotion of a high standard of professional ethics; (ii) the promotion of efficient, economic, and effective use of resources; (iii) transparency must be fostered by providing the public with timely, accessible and accurate information; and (iv) public administration must be accountable [9]'. These values and principles embody the aspirations of sound corporate governance.

Corporate governance embodies processes and systems by which corporate enterprises are directed, controlled and held to account. The Institute of Directors of South Africa [10] defines corporate governance as 'the exercise of ethical and effective leadership by the governing body towards the achievement of ethical culture, good performance, effective control and legitimacy'.

3. Methodology

This chapter is based on an exploratory desktop literature review of numerous publications, such as academic journals, official South African public sector reports and publications, legislation and policies, newspaper articles, as well as documentation obtained from various official websites in the field of public governance and accountability. Comprehensive insight was gained from the analysis of the documents into the current governance frameworks versus the situation pertaining to the prevention and/or addressing of corruption within the South African Local Government Public Sector.

Analysis of the literature reveals numerous intricate and well-designed frameworks, mechanisms and public institutions in place to firstly prevent acts of corruption and mismanagement of resources and secondarily to deal with such acts, should they occur. As revealed by the various AGSA municipal audit reports, a lack of consequence for mismanagement of resources evidenced by the failure to investigate findings and/or failure to act on findings resulted in deterioration of the financial health of municipalities and in the delivery and maintenance of municipal infrastructure.

A qualitative research approach using unobtrusive methods was used at it was viewed as being the most suitable approach towards understanding and unpacking public sector corruption and consequence management practices in South Africa. As stated by Auriacombe [11], 'a theoretical framework is essential to gain a clear understanding of the relationships manifested between the various elements and issues of an identified phenomenon', which in the case of this study is the public sector and public financial management and accountability.

All the documentary sources used in this study are available in the public domain and easily accessible, which allowed for a detailed contextual and content analysis. The focus was on official publications which would ensure validity and trustworthiness, such as the Auditor General's reports and peer-reviewed journals pertaining to the subject matter at hand. A process of analysis of the phenomenon (public corruption and consequence management), reflection and synthesis to make meaningful deductions was followed towards creating the information and positioned in the article. After analysis of the trustworthy sources [12], the authors were able to gain an understanding of the phenomenon under investigation, to make relevant recommendations towards improved consequence management aimed at addressing corruption within the South African Local Government Public Sector and to develop various recommendations to improve public sector accountability and consequence management.

4. Discussion

4.1 Legislation for good governance

According to the White Paper on Local Government [13], 'a developmental municipality should play a strategic policy-making and visionary role and seek to mobilise a range of resources to meet basic needs and achieve developmental goals'. The developmental duties of local government are set out in Section 153 of the Constitution, namely that a municipality must structure and manage its administration, budgeting and planning processes to prioritise the basic needs of the community and to promote its social and economic development [9]. In addition, Sections 152, 153 and 154 of the Constitution indicate that local government must promote social and economic development, a safe and healthy environment, and encourage the involvement of communities and community organisations in the matters of local government [9]. Section 152 of the Constitution determines that local government is responsible for:

- The provision of a democratic and answerable local government for the community it serves.

- The delivery of services to community it serves and to be in a sustainable mode.

- The promotion of relevant economic and social development.
- The promotion of a safe and healthy environment.
- To encourage the participation of communities and community organisations in work of local government [9].

Section 195 stipulates that public administration must be governed by the democratic values and principles enshrined in the Constitution, including that a high standard of professional ethics must be promoted and maintained. According to the section, all three levels of the state, including public enterprises and state-owned entities, are subjected to the principles and values of a democracy [9] :

- ‘Promote and maintain a high standard of professional ethics [9, 14]’;
- ‘Promote economy of scale towards efficient and effective resource utilisation [9, 14]’;
- ‘Encourage developmental public administration and the principles of public participation and fairness, equity and accountability [9, 14]’;
- ‘Be transparent by providing for accurate and timely information, accessible to all [9, 14]’;
- ‘Maximise human resource utilisation through sound human resource development practices [14]’; and
- ‘Ensure a public sector which is representative of all our people, providing employment based on merit, competency and objectivity [14]’.

The following legislative frameworks and guidelines as per the National Treasury Guideline for Accounting Officers underpin corporate governance in the public sector [15]:

- Public Finance Management Act (PFMA), Act 1 of 1999, as amended;
- Municipal Finance Management Act (MFMA) Act 53 of 2003, as amended;
- The Code of Conduct applicable to all public servants in Chapter 2 of Public Service Regulations, 2001 as amended;
- *Batho Pele* (People First) principles as defined in the White Paper on Transforming Public Service Delivery, 1997; and
- The Companies Act 71 of 2008 as amended in 2011 together with the accompanying Companies Regulations of 2011 further strengthen and entrench corporate governance principles [15, 16].

4.2 The kind reports on corporate governance

The King Reports on Corporate Governance, which represent South Africa’s corporate governance framework, have undergone some changes over time. The King

Committee on Corporate Governance in South Africa, under the chairmanship of the former Judge Mervin King, was formed in 1992 at the instance of the Institute of Directors in South Africa to consider and address corporate governance for South Africa. The purpose of the King Report is to promote the highest standards of corporate governance in South Africa. The first King Report was released in 1994 followed by several updates (i) the King Code of 2002 (King II Report), (ii) King Report III of 2009 and (iii) King Report IV of 2016 [10].

i. King Report I—The first King Report focused on the need for a good system of corporate governance in companies where ownership and management were separate. The report defines a good corporate governance system as one which attempts to meet the needs of different stakeholder groups, while still ensuring that the best interests of the company and its shareholders are prioritised.

ii. King Report II—It served as an improved and updated version of King I by moving from single, bottom-line reporting (profit-focused reporting) to triple bottom-line reporting, which takes into account the economic, social and environmental aspects of a company's activities. The King II Report was applicable only to JSE listed companies, banks, financial and insurance entities and certain public-sector enterprises.

iii. King Report III—The King III Report focused on the Companies Act of 2008, as amended on 1 May 2011 [17]. The Companies Act makes certain governance mechanisms legally compulsory, with failure to comply having legal ramifications for a business.

iv. King Report IV—King Report IV focused on ensuring sustainable development, fostering integrated thinking, enforcing corporate citizen culture, ensuring stakeholder inclusivity and elevating the company's role within the broader society. In addition to these King Reports, several guidelines were issued such as The King Code of Corporate Practices and Conduct and the Protocol on Corporate Governance in the Public Sector, among others [16].

The King Code of Corporate Practices and Conduct and the Protocol on Corporate Governance in the public sector concentrate on the following broad areas [16]:

- people who qualify to be on the board of directors and setting up of board committees;
- overall role and functions of the board and how the board is evaluated;
- separation of powers between the chairperson of the board and the chief executive officer; and
- publication of annual reports and holding of general meetings.
- In the public sector, corporate governance principles apply to the following entities:
- enterprises and agencies that are subject to the PFMA, as amended;

- entities subject to the MFMA; and
- any state entity or department on all three levels of state, who is performing a function based on a Constitutional obligation, excluding a court or judicial officer appointed according to Section 239 of the Constitution [9].

4.3 Oversight and reporting

The responsibilities and duties of municipal managers as expressed in the MFMA are emphasised by the basic values and principles governing public administration as set out in Section 195 of the Constitution. Section 32 of the MFMA, and the supporting regulations, requires management interventions aimed at investigating any 'unauthorised, irregular and fruitless and wasteful expenditure, the possible abuse of the SCM system (including fraud and improper conduct), and allegations of financial misconduct and possible fraud [18]'. A municipal manager is to start an investigation into any misuse of funds, and appropriate actions should be taken based on the outcomes of these investigations. The municipal manager has the responsibility to prevent irregularities and take action when they occur.

The Consolidated General Report on the Local Government Audit Outcomes for a financial year as published by the Auditor-General of South Africa provides an account of municipal financial expenditure and performance during the review period [18, 19]. The findings and recommendations of the report aim towards 'empowering oversight structures within municipalities but also oversight structures external to the municipality such as the Select Committee on Finance and the Select Committee on Appropriations' [18]. The AGSA report recommendations provides for planning of areas in need of oversight focus and support as well as processes and activities in need of possible investigation and management interventions [18].

4.4 South African municipal performance

A so-called 'disclaimed opinion' is the worst possible AGSA audit opinion for a municipality to receive, as it signifies the inability of that municipality to provide AGSA with evidence for most of the amounts and disclosures in its financial statements [20]. Analysis of the AGSA reports on municipal financial performance for the periods 2015/16–2020/21 indicates that there has been no improvement in the number of municipalities that have received a disclaimer of audit opinion, as illustrated in **Figure 1**.

Various authors as well as the AGSA in its 2019 report of municipal performance for the period 2019/20 [4] stated that the poor audit outcomes over the years are mainly attributable to three factors, namely:

- 'Sluggish response by local government to implement recommendation made in the various AGSA report, in particular pertaining to leadership and improved internal control deficiencies. The slow response to improve the key internal controls by management for not achieving a clean audit was cited as one of the main reasons. In this case it showed the following: 85.7% (6) of the metros, 77.2% (122) of the local municipalities and 68.6% (24) of the district municipalities [18]'. 'Local government leaders, including senior management and supporting officials, are failing to ensure effective monitoring and evaluation processes, effective internal control measures and sadly also fail at instilling consequence management and corrective actions [21]';

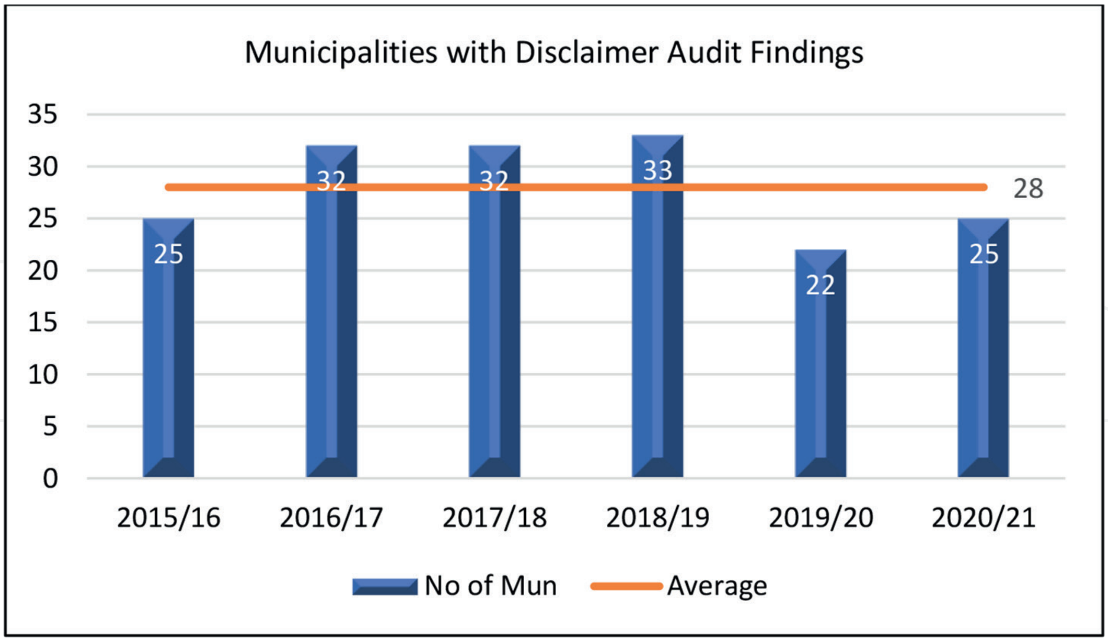

Figure 1.
Municipalities with Disclaimer Audit Findings 2015/16–2020/21. Source: Authors' own compilation based on AGSA report for period 2015/16–2020/21.

- Vacancies and instability in key positions also contributed significantly to the poor audit outcomes of municipalities [2, 22]. The average number of months that municipal managers and chief financial officers stay in their position is 42 months [18]. The tendency to leave key positions vacant for prolonged periods of time results in delayed improvement of fiscal discipline and enforcement of accountability. Of concern is the lack of appropriate skills and competencies in financial reporting [23], resulting in a dependency on external consultants, with a resultant negative impact on financial planning, record keeping and reporting [4]; and

- Lack of consequence management, particularly in respect of non-compliance with legislation [2]. The most common findings related to lack of investigation into allegations of financial and supply chain management misconduct and fraud, as well as investigations into unauthorised, irregular and fruitless and wasteful expenditure [18, 24]. Inadequate or a lack of will to implement the review and monitoring processes as well as officials not being held accountable for poor performance [25]. Leadership and municipal officials deliberately or negligently ignore their duties and disobey legislation. This is not decisively dealt with through mechanisms for enforcing consequences for transgressions [4].

The AGSA has identified numerous failures to implement consequence management, this created an environment where staff continued to transgress without any consequence due to inefficient and ineffective oversight structures. As reported by AGSA in 2022, a staggering 60% of municipalities did not comply with legislation on effecting consequences. At 54% of municipalities, the non-compliance was material. The most common findings involved irregular, unauthorised and fruitless and wasteful expenditure not being investigated. Taking irregular expenditure as an example, by 2020–2021 year-end, 51% of municipalities failed to investigate their findings included in the 2019–2020 irregular expenditure year-end balance of R110,18 billion and 41% of municipalities failed to investigate fruitless and wasteful expenditure [5].

4.5 Consequence management for corrupt actions

Introducing consequences against officials responsible for non-compliance will assist municipalities to recoup financial losses as a result of corrupt actions by such officials and also serve as a detergent for others to contravening legislation. This will also serve as an indication of municipal commitment to prudent financial management practices [5].

Consistent and deliberate actions against corrupt officials who 'intentionally fail to comply with legislation or who are guilty of fraud or misconduct' [26] will further improve accountability for government spending. In line with the PFMA, MFMA and supporting regulations, contraventions resulting in unauthorised, irregular and fruitless and wasteful expenditure, as SCM system abuse and/or manipulation, should be investigated for all and any signs of improper conduct or fraud. It is also important that these investigations, where unlawful actions become evident, should result in appropriate actions and sanctions [26].

According to AGSA, auditees at 13% of municipalities were not equipped with the requisite policies, processes and means of investigation and reporting possible transgressions or fraudulent activities, including poor record keeping [26]. 'Although 87% had the required mechanisms, these had not necessarily been successfully implemented [27]'.

AGSA, in agreement with the principles set out in King IV, concludes that 'the leadership sets the tone at the top at any organisation [4]'. Strong internal audit and oversight to ensure financial accountability will ultimately result in clean financial audits [28]. The AGSA report clearly states that '... when the leaders of an organisation's are operating in an unethical manner, have a carelessness for the principles of good governance, applying sound compliance and control systems; and are not obligated to transparent practices and accountability, it could filter down to the lower levels of the organisation and thus impact negatively on service delivery [4]'.

4.5.1 Municipal council

In terms of Section 4(2) of the Local Government: Municipal Systems Act 32 of 2000 (MSA), the municipal council as the executive and legislative authority of the municipality is the highest authority in the municipality and has substantial 'powers of approval and oversight responsibilities' [2, 29]. MSA 2000, Section 6(2) provides that municipal administrations 'are to be receptive to the progressive needs of the respective communities it serves; to stimulate an ethos of accountable service delivery among the municipal officials; to conduct the approved practices to avoid corrupt undertakings; to encourage co-operation and interaction with local communities; to give the local community clear and reliable information regarding the level and pre-determined standard of service delivery; and to ensure that the local communities and respective organisations are well informed in the affairs of local government [30]'.

4.5.2 The speaker

The Speaker of a municipal council provides a political oversight function to monitor the conduct of municipal councillors and its committees [31]. Including in such powers, is effective consequence management of reporting of offences against councillors, by making sure that such reports are addressed in an appropriate manner and resolved [32].

4.5.3 Executive mayor

In line with the requirements for good corporate governance outlined in the King IV Report, the executive mayor is accountable to Council, the community and other stakeholders at a strategic level for:

- Risk management inclusive of consequence management process aimed at reducing exposure to advert risks and strengthened controls [10, 33].
- Restricting the potential of losses incurred as a result of incidents and red flags [10, 33].
- Instilling and sustaining a culture within the council based on principals of service excellence, where councillors can be trusted be transparent and act with integrity and accountability, towards prevention of maladministration resulting in fraud, corruption and other criminal activities and/or negligence and financial misconduct [10, 33].
- Developing and implementing consequence management strategies towards preventing or limiting the potential negative impact of misconduct and corrupt activities [10, 16, 33].
- Regular monitoring, evaluating and reviewing consequence management strategies, policies and action plans to ensure relevance and successful application thereof [10, 16, 32]; and
- Ensuring transparency and accountability by making appropriate disclosures of financial misconduct to the relevant authorities including the Minister for Local Government in the oversight Province, as well as to National and Provincial Treasury entities [10, 16, 32, 33].

4.5.4 Municipal manager

In terms of Section 62 of the MFMA, the municipal manager has statutory responsibilities with regard to the general financial management of the municipality [24, 34]. This includes the responsibility for managing the financial administration of the municipality by taking all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically and ensuring that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control to prevent unauthorised, irregular or fruitless and wasteful expenditure. The MFMA, Section 32 in particular, and its regulations clearly stipulate that management should investigate matters such as 'incurring unauthorised, irregular and fruitless and wasteful expenditure, the possible abuse of the procurement system (including fraud and improper conduct), and allegations of financial misconduct and possible fraud' [35] . A municipal manager is to institute an investigation into any misuse of funds, and appropriate actions should be taken based on the outcomes of these investigations. The municipal manager has the responsibility to prevent irregularities and take action when they occur [2, 34, 35].

In addition, the Municipal Manager has the responsibility to ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence. In this regard, it is important to take note that Section 14(a) of Schedule 1 of the Municipal Systems Amendment Act, 2011 [34] provides that any breach of the Code of Conduct for Municipal Officials is grounds for dismissal.

4.6 Auditor-general expanded mandate

Over the years, AGSA has been reporting on audit findings at municipal level pertaining to fruitless, wasteful and irregular expenditure, highlighting the limited or even total lack of action to address the financial mismanagement identified or to hold those who contravene the legislation to account. The failure of municipalities to use the existing accountability mechanisms in local government gave way to the Portfolio Committee on COGTA support for the amendment of the Public Audit Act 25 of 2004 to provide the AGSA with more power to improve accountability in the public sector. AGSA mandate was expanded by amendments which became effective on 1 April 2019, to go beyond audit and reporting to strengthen accountability mechanisms [36].

AGSA's expanded role is focused on addressing material irregularity. Material irregularity is articulated as an deed of any non-compliance with or infringement of the respective legislation, theft, fraud or the abuse of an assigned duty as identified during an audit as executed in terms of the Public Audit Act that stemmed in or is likely to effect in any form of material financial loss, the misuse or the loss of any material public resource or a significant damage to a public sector institution or the general public [37].

AGSA's role is to detect material irregularities and to assist the municipal managers to bring it to their attention that the identified irregularities could bring an impact on the finances, other resources and the delivery of services. But also, to empower the municipal managers to undertake the applicable steps in terms of legislation to correct the irregularities. This approach is an effort to minimise the adverse outcome of the irregularities on municipalities by setting the correct attitude towards accountability, the significance of the need for consequence management, and to inspire a behavioural change at all levels [37].

AGSA report recommendations are no longer the type of recommendations resulting from their audits, but rather focus on providing municipal managers with actions to deal with a specific Material Irregularity (MI), including steps to be taken to recoup financial losses or to recover from substantial harm [37], reinforce internal control measures towards prevention of further losses and harm [37, 38] as well as consequence management actions. The recommended actions are inclusive of utilisation of internal disciplinary processes and/or handing over the matter to a law-enforcement agency for further investigation and possible prosecution [5, 37].

It is positive to note that the 2022 AGSA Report on the MFMA states that there has been a change at municipalities to pay at a more progressive manner attention to the findings and recommendations made. Increasingly, there has been a noticeable change in the behaviour from indecisiveness to action by municipal managers [5].

5. Provincial government intervention—Section 139 of the constitution

Section 139(4) and (5) of the SA Constitution, along with MFMA Chapter 13, regulates interventions aimed at a consistent and foreseeable municipal response to prevent severe financial challenges as well as operational issues from threatening prudent financial management and services delivery [25, 39]. The section aims at promoting sound financial management, failing which allows for a municipal council to be dissolved by the relevant provincial government or by national government. Section 139 therefore aims to ensure that local government entities remain committed to their constitutional obligation towards serving the people of South Africa and their Constitutional rights [40].

In 2021, the Department of Cooperative Governance and Traditional Affairs (COGTA) reported that 64 municipalities were 'dysfunctional' [41]. These municipalities had become dysfunctional to such an extent (with very poor governance practices in place, weak institutional capacity, poor financial management and the resultant corruption and political volatility), that national and/or provincial government had to step in towards restoring the requisite levels of financial management, good governance and service delivery. In such cases, administrators are then appointed to manage and oversee the day-to-day running of these dysfunctional municipalities [5].

It is important to note however that, apart from the guidelines in Section 139 itself, there are no other administrative practices or guidelines or policies which should be followed which covers the entire Section 139 framework. Even though for example the MFMA provides for the compiling of a financial recovery plan in the instance of a Section 139(5) intervention along with some guidance towards evaluating financial difficulties in a municipality, these are only guidelines. There is no formal regulation in respect of Section 139(1) interventions, leaving a serious interpretation gap for these interventions to succeed as intended [40].

Although the majority of the dysfunctional municipalities were in in a general dire state, in most cases a single event or so-called specific 'trigger' gave rise to a Section 139, such as a series of violent community service-delivery protests or an Eskom threat to cut off electricity supply to the municipality. Often Section 139 is not instituted even when municipal wrongdoing is identified, but this trigger or singular event is often the real spark needed for the Section 139 intervention. 'Without that trigger, it is not clear that all of the interventions would actually have taken place' [40].

In their 2018 study, the Public Affairs Research Institute [39, 40] reported three factors as being indicative of sustained success of a Section 139 intervention: 'the state of the affected municipality's affairs prior to the Section 139 intervention, the ability of the appointed Section 139 administrator to successfully resolve the address the root causes and challenges, and the performance of the municipality once the Section 139 process is terminated [40]'.

The worse the levels of financial mismanagement, collapse of infrastructure and breakdown of local government structures and processes, the less likely the municipal council will be able to return to financial and operational stability. Research reveals that interventions initiated before the total collapse point was reached were much more successful in aiding the municipality to return to stability after the Section 139 intervention [40].

Research also reveals that the administrator is incapable of bringing about the desired changes, in fact in many cases the administrator actually added to the woes and made the situation worse (by accident or by design). Ledger and Rampedi [39] are of the opinion that the undertaking is unassumingly beyond an individual person who now has the responsibility to manage seven or eight senior managers and then put in a determined effort to tackle years of mismanagement and corruption. This often to be conducted in a significant hostile environment and the perceived non-cooperation from those managers [39].

Correct application of the MFMA in Section 139(5) interventions would provide powerful tools to address mismanagement and provide a disincentive to future mismanagement [39]. These tools are not being taken advantage of in fact, 'there is need to do things differently [41]'.

6. Way forward—recommendations to successfully curb the scourge

Analysis of recent news reports and media releases does however provide a glimmer of hope. In recent times, there have been reports of sentencing of officials found guilty of corruption [42], fraud [43] and theft [44], as well as recovery of funds [45]. According to Mondli Gungubele, Minister in The Presidency, the sentences handed down, '... will serve as a deterrent to any persons involved in any form of corruption' [46]. There does appear to be an increase in the number of arrests and successful prosecution of corrupt officials and their accomplices. However, 'prevention is always better than finding a cure' and the following recommendations have been noted in this regard:

- Adopt and implement efficient policies and processes to investigate allegations of misconduct and disciplinary procedures [26].

- Proper, consistent, appropriate and swift investigate all allegations with the requisite action based on the results of the investigation—the best practice in this regard is three months [26].

- Leadership should aspire to and demonstrate ethical leadership, service orientation, good governance and accountability [47]. 'Governance should aim towards empowering people instead of simply yielding its authority' [48].

- Enable and insist on a strong control environment with practical, automated and routinely executed internal controls that prevent financial loss, wastage and transgressions and significantly improve financial and performance management and reporting [47].

- Ensure that the appointed authority is able to correctly identify the correct intervention required and is able to correctly apply the appropriate legislation [40].

- Internal control processes for the identification of possible financial misconduct and financial offences should be improved, including oversight systems and processes, financial reporting and monitoring and evaluating capacities [28, 49].

- Risk management processes to identify and mitigate financial risks relating to unauthorised, irregular and fruitless and wasteful expenditure should be strengthened [50].

7. Conclusion

Even though some progress has been made towards improving the prevention of corruption and mismanagement at municipal level, the pace is disappointingly slow. Until such time as accountability for indiscretions and offences does not take centre stage, acts of misconduct including irregular, unauthorised and fruitless and wasteful expenditure, as well as outright instances of theft and corruption, will continue to plague municipal finances and service delivery levels [26]. Even in the presence of all the requisite legislation, policies, processes and skills, with a culture of performance, accountability, transparency and integrity [5], addressing the endemic consequences of corruption in the South African Local Government arena will remain elusive and unresolved.

Conflict of interest

The authors declare no conflict of interest.

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