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An Overview of Poor Financial Reporting and Lack of Accountability Within the South African Local Government

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Abstract

This study explores the impact of inconsistent financial reporting and lack of accountability with specific reference to the current financial situation of the South African local government. The main objectives of the study are to investigate the challenges of financial reporting, lack of accountability, and possible mechanisms to address the financial reporting and lack of accountability within local government. The study explores the key mechanisms for strengthening accountability. The paper examines the municipal financial management and accountability cycle. It further examines the purpose of reporting standards and financial reporting. The study outlines the objectives of financial statements and the challenges of financial management within local government. The paper explores municipal finance control that entails an annual cycle that includes four broad activities which are planning and budgeting, implementation and spending, and monitoring and evaluation. Despite the legislative framework regarding the financial management of the municipalities in South Africa, lack of accountability is still a fundamental problem regarding the eradication of corruption. The study demonstrates the effects of how an accountability failure negatively affects municipalities. The study adopted the conceptual approach relying heavily on secondary data to demonstrate the impact of poor quality of submitted financial statements and performance reports as well as the lack of accountability in local government. The study concludes by adopting the consequence management as a control measure that will enable the local government to address corruption and lack of accountability related issues.

Keywords: *Local Government; Financial Reporting; Accountability; Consequences Management*

1. Introduction

Globally, in Africa and South Africa historical lessons, new technologies, and global systems have inevitably evolved leading to public sector reforms. These have been introduced in a growing number of developed and developing countries. and have induced modernization of the financial management sphere of government. It is important to understand such frameworks to relate better to a financial management environment in which transparency, accountability, and control over corruption prevail. Every financial management system or model follows a set of three interrelated steps or “stages”, which are the planning stage, the operational stage, and the accountability and oversight stage (Mantzaris,2014).

The judicious spending of public funds means that conventional metrics of honesty and spending as well as the productive utilization of resources are necessary. The efficacy of public money requires financial control in places to make sure resources are used cost-effectively. Public financial management is, therefore, a mechanism by which a public institution uses the resources and money to procure and distribute these based on defined goals, and then to use tools and controls to fulfill publicly established needs for efficiency and effectiveness (Mbatha,2020).

Mofolo and Adonis (2021:2) aver that the issue of effective accountability in municipalities has been widely considered in the literature. However, apparently, this phenomenon still eludes these public institutions. It is high time that the Municipal Public Accounts (MPAC), as structured around the principles of Principal Agent Theory (PA Theory) in South African municipalities, should be reengineered in order to address the challenges incidental to accountability. The practice of PA theory, particularly in the public sector, regards the principal as the legislator that represents the public interest. The agent as an official should carry out some tasks or activities of providing public services on behalf of the principal. Although this could be seen as a perfect operational relationship between the principal and agent, it has been established that sometimes the agent resorts to pursuing his or her self-interest, which might not be in the mind of the principal. This is referred to as the ‘agency’ problem. Principal agent theory claims that the agency problem happens when there is some sort of ‘information asymmetry between the principal and the agent. In other words, this happens when the principal does not know what the agent is doing. This is a matter that should be dealt with through monitoring

Many municipalities are not budgeting, transacting, and reporting directly in or from their core financial systems. Instead, they prepare their budgets and reports on excel spreadsheets and then import the excel spreadsheets into the system. Often this manipulation of data leads to unauthorized, irregular, fruitless, and wasteful (UIFW) expenditure and fraud and corruption as the controls that are built into the core financial systems are not triggered. These Municipalities are not locking their adopted budgets and monthly reporting periods on their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2020/21, the Local Government Portal will be locked at the end of each quarter. System vendors were also requested to build this functionality into their municipal financial systems. In aggregate, municipalities spent 79.9 percent or R384.3 billion of the total adjusted expenditure budget of R481.2 billion as of 30 June 2020 (fourth quarter results for the 2019/20 financial year). In respect of revenue, aggregate billing and other revenue amounted to 88.8 percent or R427.5 billion of the total adjusted revenue budget of R481.4 billion. Of the adjusted operating expenditure budget amounting to R412.4 billion, R343 billion or 83.2 percent was spent by 30 June 2020 (National Treasury, 2020).

2. Methodology

The study adopted the conceptual approach and heavily relied on secondary data. Several journal articles, books, legislative frameworks of municipal finance, and reports focusing on the impact of financial reporting and lack of accountability were used to identify challenges and the purpose of municipal financial reporting, accountability, and consequences management. The study adopted a conceptual approach because it is the combination of a researcher from previous research and associated work, and it explains the phenomenon that occurs. The desktop approach systematically explains the actions needed during the research study from the knowledge gained from other ongoing research and from the point of view of other studies on the subject.

3. Local Government Financial Reporting

Since 1994, the cornerstone of local government reform initiatives has been the legislation introduced to define, enable, enforce and monitor sound and sustainable financial and performance management. Legislation such as the Municipal Finance Management Financial Act (MFMA) and the Municipal Systems Act introduced transparency, accountability, stewardship, and good governance, which in turn safeguard the citizens against the abuse of public money and lack of service delivery. The legislation and the principles embedded therein are also geared towards achieving the defined national outcome of a responsive, accountable, effective, and efficient local government (Botlhoko, 2017:32).

Kanyile (2016:38) avows that the MFMA prescribes measures to ensure transparent financial reporting by the local sphere of government. South Africa faces the challenge of increasingly limited resources that should be used for service delivery to all South Africans. There is a growing belief that the ability to obtain maximum benefits from increasingly limited resources can be enhanced by an understanding of the results of the programme for which budget resources have been expended. The report on programme performance measures is not only an appropriate reporting statement but is likely to be the most important statement for those persons interested in how the government entity is using the resources (Kanyile,2016:38).

Municipal finance control has an annual cycle that includes four broad activities:

- **Planning and Budgeting**: Each year, municipalities are required to review their IDP and budgets. This process starts in June of the year before the municipality will implement its IDP and spend its budget on service delivery. The budget is the municipality's financial plan and indicates how much money will go toward each of the activities outlined in the IDP. The budget should outline where the municipality is getting its money from, how much it will receive and how much it will be spent on things like salaries, goods, and services, infrastructure, and equipment.
- **Implementation and Spending**: The municipality starts to spend the money provided in the budget on activities outlined in the IDP. It pays salaries and service providers, buys goods needed to deliver services, buys, and maintains machinery and equipment, and develops and maintains infrastructure.
- **Monitoring**: To ensure that it is delivering on the IDP and that it is spending its budget as it should, the municipality must carefully monitor its activities and spending. To do this, the municipality must have systems that track the payment of salaries, the purchase of goods, and the payment of service providers and building contractors. The municipality must also physically verify that services are being delivered and infrastructure is being developed in line with set norms and standards; and
- **Evaluation**: At the end of each year, the municipality must look back over the year and assess how well it has done in terms of delivering on its promises in the IDP and if it has spent its money in line with its budget. The municipality must publish this review in an annual report in January each year.

3.1 The Internal and External Reporting

The line of distinction between internal and external reporting stems from two main objectives of municipal accounting which are management control and accountability. Most internal reporting is non-statutory and is executed for the purpose of control. It embraces a wide range of reporting techniques, such as the completion of routine forms on daily operations as well as comprehensive special purpose reports. External reporting is done mainly in compliance with statutory requirements and is aimed at satisfying the accountability objective. Such reports must enable managers and councillors faithfully to discharge their accounting responsibilities to both internal and external stakeholders (Fourie and Opperman, 2015:301).

3.2 The Purpose of Reporting Standards and Financial Reporting

The primary purpose of Generally Recognised Accounting Standards (GRAP) is to help municipalities provide relevant and comparable information. In other words, financial accounting practices should produce information that is relevant to the decisions made by financial statement users. GRAP identifies uniform practices that make financial statements more understandable.

The rationale behind creating public sector accounting standards, and specifically of GRAP in South Africa, is to provide a set of general accounting concepts and principles, which will bring about the consistent treatment of accounting transactions and presentation of financial results by all public sector entities (Treasury, 2008:23).

The primary purpose of these reports is to assist managers in discharging their responsibilities. These reports will focus on performance against budget and against service delivery improvement programmes and will alert managers where remedial action is required. The municipal reporting intervals are outlined below as follows:

- **Monthly Repor**t: Within 15 days of the month's end, the accounting officer (municipal manager) must submit to the relevant treasury and executive authority information on actual revenue, expenditure, and transfers for that month in the format determined by the National Treasury. Monthly reports to the executive authority must contain the information provided to the Treasury;
- **Quarterly Report**: Every quarter, the National Treasury will publish a statement in the Government Gazette detailing the revenue and expenditure of each of the ten revenue funds, which measure the actual performance against the budget for each vote. Accounting officers must expect the press, parliamentary committees, non-governmental organisations and the public to monitor the municipality's progress through these reports;
- **Annual Report**: The accountability cycle is completed with the production and publication of an annual report which reviews performance and achievements against the plan and budget. The municipality must publish an annual report that fairly presents the state of its affairs, its financial results and position at the end of the financial year, and its performance against predetermined objectives. The annual report must include particulars of any material losses through criminal conduct, any unauthorized expenditure together with any criminal or disciplinary steps taken as a result of such losses.

The accounting officer has two months to submit appropriation accounts to the Auditor-General and Treasury. The accounting officer must ensure that the systems and financial staff within the municipality can prepare high-quality financial statements within two months of the year-end.

The AG will report to Parliament, the Legislature, and the Treasuries on the date of submission and be asked to comment on the quality of data. Should this prove to be poor, a charge of financial misconduct may result. Should the accounting officer submit incomplete financial statements, the AG will no longer finalise them (Kanyile, 2016:43-44)?

3.3 Objectives of Financial Statements

The objective of financial statements is to provide information about the reporting municipality's financial performance and financial position that is useful to a wide range of users for assessing the stewardship of the municipality's management and for making economic decisions. Financial statements prepared for this purpose meet the common needs of most users. However, financial statements do not provide all the information that users may need to make decisions since they largely portray the financial effects of past events and do not necessarily provide non-financial information. More information about the objective of financial statements refers to the Framework for the preparation and presentation of financial statements (GRAP 0) (Treasury, 2008:43).

The financial reporting objectives of a municipality originate from the following financial needs of stakeholders:

- Assessing the current provision of services as well as the sustainability of future service delivery;
- Assessing how councillors and officials have discharged their stewardship and accountability responsibilities;
- Full disclosure of the municipality's financial position and operating results.
- The effects of transactions, events, and circumstances on the use of economic resources;
- How cash and other liquid resources were obtained and utilised;
- Assessing whether financial resources were administered in accordance with legislative and regulatory requirements; and
- Comparative information for prior periods and actual results against budgeted planned results (Fourie and Opperman, 2015:301).

3.4 Challenges of Financial Management within Local Government

Laubscher (2012:64) asserts that lack of expertise in local government since 1994, municipalities have undergone various changes and renovations. These changes have been accompanied by various phases of restructuring and transformation as far as municipal councillors and officials are concerned and this has demanded a dynamic new approach to development. Unfortunately, in the process of restructuring and change, much expertise has been lost. The lack of expertise in local government is revealed on three different levels. First, there was an "exodus" of expert officials who, either of their own free will or under direct or indirect pressure, accepted severance packages, or simply resigned. Secondly, a programme of affirmative action was put in place in the South African public sector. Such a program may have been desired and needed, given the history of discriminatory practices in the country, but the lack of proper policy and the proper application thereof often led to impulsive and political appointments that were also often associated with nepotism. The point here is not whether there was a necessity for affirmative action, but rather that note needs to be taken of the catastrophic consequences of overhasty and unbalanced actions that occurred in this regard. Secondly, a programme of affirmative action was put in place in the South African public sector.

Financial mismanagement in the South African public sector hampers progress, development, and growth. It poses questions regarding the integrity and honesty of the government, and it affects the economy to such an extent that, if the government loses money through corruption and mismanagement, they are obliged to recover such losses by means of higher taxes and tariffs. It is difficult to describe mismanagement in absolute terms, but the following may serve as examples:

- The provision of misleading statements to the community about their legal position; • the giving of incomplete or vague instructions to law enforcement officers;
- Neglecting to bring all relevant facts into the equation;
- Carrying out of functions in regard to which functionaries have not been empowered by means of legislation or regulations;
- Neglecting to carry out functions that should be carried out by functionaries according to legislation; and
- Discrimination, neglect of duty, arbitrariness, and improper behaviour Laubscher (2012:65).

Oberholzer (2013:1) accentuates that a lack of proper financial management leads to most of the problems identified by the AGSA as the nature and causes of qualified audits. Chief among these is the need to make adjustments to annual financial statements during the audit process. This means municipalities rely on auditing firms to identify errors and omissions. Other problems include a failure to comply to acceptable accounting standards, an incomplete fixed asset register, and a failure to reconcile the ledger with underlying supporting schedules. But the biggest direct threat to the viability of a municipality is a failure to collect and adequately measure revenue. Another is having accounting officers fail to take reasonable steps to prevent irregular, wasteful or fruitless expenditure.

The repetitive nature of the identified root causes, over the years, indicates that municipalities do not address the root causes as highlighted and recommended by the preceding Auditor-General reports. This is not sustainable, as it underpins regressions over the years. A culture of financial management restraint, accountability, and transparency should underpin the planning, mobilization, and utilisation of municipal financial resources. Institutionalising and sustaining a culture of prudence, discipline, efficiency, ethics, control, accountability, and transparency should, therefore, be at the centre of municipal financial management. The concern with sound financial management issues is, thus, a quest for excellence and best practices in public administration systems at the local level. There is a dire need to institute effective financial control at the local government level (Sibanda, 2017:336)

Audit systems are central mechanisms through which accountability is enforced within local government institutions. Public audits relate to broader issues of corporate governance, such as compliance with extant legislation and sensitivity to their statutory and ethical obligations to the public and stakeholders. The value for money principle exhorts considerations of economy, efficiency, and effectiveness in the use of public resources. The accountability of every officer in the municipality must not only be clear, but it must also be well understood. The duties, responsibilities, and powers of individual officers must be clearly spelled out. Each officer will need to understand the legislation, delegations, and performance standards relevant to his or her duties. Thus, the clearest accountability imperative is adherence to the rule of law (including delegated authority) (Sibanda, 2017:336).

Ngwakwe (2012:314) avows that irregularities in public financial accountability and service delivery are not normal; these are an aberration that is caused by human factors and may be corrected if these factors are identified with solutions. There are myriad factors inhibiting public financial accountability and service. The factors below are identified as major obstacles and they are outlined as follows:

- Limited financial skills capacity;
- Corruption;
- Supply chain management; and
- Obscured transparency in public financial management.

These factors are examined in the following subsections after which, subsequent

Sections will attempt to proffer suggestions for enhancing financial accountability and service delivery.

As governments strive to counter the economic problems bolstered by financial crises and climate change, corruption remains the chief threat to achieving economic and social development. Although financial regulations abound, it seems that public officials flout most financial regulations for personal aggrandizement. Hence, experts argue that some bureaucrats tend to take advantage of rigid regulations (Ngwakwe, 2012:315).

Mills (2012:7) opines that discussions about the causes of corruption have tended to explain how and why corruption occurs rather than identify deterministic causes. Studies generally produce a mixture of situations, attitudes, and processes that might be better understood as enabling factors, indicators, or conditions that allow or facilitate corruption. Few of these factors can, in isolation, be said to cause a corrupt act to occur. Neither are they strictly causal in the sense that corruption will occur if they are present in a given location. Instead, they are observed or perceived phenomena that may make it more possible for corruption to occur. They are similar to risk factors for diseases, or accidents that combine or align - in a given time and place to create an environment that is conducive to an individual perpetrating a corrupt act. For prevention purposes they "present areas or opportunities to intervene to prevent" something that might happen in the future.

Mills (2012:7) further opine that views about where to look for causes of corruption and how to label them are very much in the eye of the beholder. Explanations vary with the analytical framework applied so that the act of bribing a public official will look to an economist like rent-seeking, to a prosecutor like a crime, and to a public administrator like a failure of accountability. Each perspective employs a different diagnostic toolkit and is likely to recommend a different kind of response. One study nominated six kinds of causes in the theoretical anti-corruption literature together with the causal chains that they indicate:

- Public choice theory – official makes a rational choice to act corruptly
- Bad apple theories – an official with "bad" character necessarily acts corruptly
- Organizationalal culture theories – group culture and aspects of the workplace encourage the official to act corruptly
- Clashing moral values – the official's societal or personal values and norms permit corruption
- The ethos of public administration theories – pressure on the official to perform override integrity considerations and allow corruption
- Correlation theories – no casual theory only correlations.

The famous formula for corruption is an economic analysis of corruption that identifies three "ingredients" of corruption "monopoly + discretion – accountability" needed for a corrupt act to occur. Monopoly here refers to the "availability of rents" such as trade restrictions, industrial policies, and the presence of scarce natural resources which allow public officials to exercise discretion and demand personal benefits Together these ingredients describe a situation that provides an opportunity for corruption (Mills, 2012:8).

The ingredient missing from the formula is why an individual would exploit this opportunity relying instead on a behavioural assumption that the public official is a rational actor weighing up the benefits to be gained from a corrupt act against the likelihood and consequences of getting caught. The possible motivation for doing so is not apparent. The idea that a corrupt act can occur when a perpetrator has the motivation and an opportunity to act corruptly and considers the likelihood of detection or punishment to be low was the basis for the national anti-corruption strategy in Singapore to "minimize or remove the conditions of both incentives and opportunities that make individual corrupt conduct irresistible". In that context, the elements were identified as: an incentive of low public service salaries combined

with opportunities created by inefficient public sector systems and a low risk of detection and punishment (Mills,2012:9).

4. Ensuring Accountability in the Public Sector

To establish accountability for the use of appropriated public funds, each vote has to have an accounting or controlling officer at all times. He or she is normally the administrative head of the ministry or department and has the power to implement the authorized budget and is also accountable for it. To ensure accountability, some key building blocks are required and they are outlined as follows:

- There must be transparent and mutually agreed objectives and targets that underpin the authority and resources given to a person from whom accountability is expected;
- One is accountable for what one controls and the person from whom accountability is expected must be empowered to deliver on his or her contract free from interference;
- There must be a transparent and agreed process of giving account for the use of power and resources against the agreed performance expectations
- There must be consequences, for example exceeding targets can be rewarded and misuse of resources should be sanctioned by recovering such losses from those responsible; and
- There must be adequate separation of powers between the political and administrative authorities with oversight by the legislature.

Accountability is enabled through useful and reliable information to support the evaluation of government achievement (Pauw, *et al*, 2015:128-130).

Botlhoko (2016:579) outlines four types of accountability as follows:

a) **Performativity Accountability**: This type of accountability involves explicit and direct acts of account giving, such as the annual accounts that are responses to a direct, possibly implied, solicitation from real or potential account receivers. The assumption about this type of accountability is that such explicit acts provide the necessary information to hold to account, but the nature and value of information is questionable in practice. Although accountability might include accounting for something through narrative, this is unlikely in practice, because of the inertia of habitual use, and because numeric evaluation has assumed a prevailing place in public discourse;

b) **Regulatory Accountability**: This type of accountability involves the account giver in following rules and operating standards that are intended to control behaviour. Control may also be achieved by the threat of performativity account giving. In this context, when called to account, the account giver who has acted within the architecture of the regulated environment would refer to the operating rules to justify behaviour;

c) **Managerial Accountability**: Managerial accountability focuses on motivating and not restraining behaviour. Behaviour is improved by the act of measurement and its focus is to design architecture that motivates the account giver; and

d) **Embedded Accountability**: Embedded accountability operates through the norms and values of the account giver and internalizes the moral responsibility that is often associated with professional standards.

Khalo (2013: 580) encapsulates that for sound public administration to exist there must be a public trust. The public expects public officials to serve their needs and interests with fairness and manage public resources properly. Fair and reliable public services and predictable decision-making inspire public trust. One of the major challenges faced by nation-states is the lack of trust in the public. There are many reasons why governments cannot gain and keep the public trust. One such reason is unaccountable, unethical conduct and lack of integrity by political office-bearers and officials alike. Accountability, integrity, and ethical conduct of political office-bearers and officials are a prerequisite to, and underscore public trust. It demands that the actions of public institutions be publicized to encourage public debate and criticism.

4.1 The Municipal Financial Management and Accountability Cycle

The municipal financial management and accountability cycle consists of:

- **Integrated Development Plan (IDP)**: Sets out the municipality's goals and development plans. The council adopts the IDP and undertakes an annual review and assessment of performance.
- **Budget:** The IDP informs the budget. The budget sets out the revenue-raising and expenditure plan of the municipality for approval by the council. It is linked to the service delivery and budget implementation plan (SDBIP). The budget and the SDBIP lay the basis for the performance agreements of the municipal manager and senior management;
- **In-Year Reports**: Council monitors financial and non-financial performance through quarterly and midyear reports produced by the administration and tabled in Council;
- **Annual Financial Statements**: These are submitted to the Auditor-General who issues an audit report on financial and non-financial audits undertaken simultaneously;
- **Annual Report**: Reports on implementation performance in relation to the budget and the SDBIP;
- **Oversight Report**: Council adopts an oversight report based on outcomes highlighted in the annual report and actual performance; and
- **Audit Committee**: Provides independent specialist advice on financial and non-financial performance and governance (Local Government Budgets and Expenditure Review, 2008:158).

5. The Effects of Lack of Accountability in Local Government

There was again a regression in the audit outcomes under the current local government administration, now in its third year. Over the three-year period, the audit outcomes of 76 municipalities regressed with those of only 31 improving. The following serious weaknesses in the financial management of local government had not been addressed over the past three years: Poor quality of submitted financial statements and performance reports the Auditor-General South Africa explains that credible financial statements and performance reports are crucial to enable accountability and transparency in government. It was revealed that most municipalities continued to fail in these areas. It was stated that "not only did the unqualified opinions on the financial statements decrease from 47% to only 43%, but the quality of the financial statements provided to the Auditor-General's South Africa office for auditing showed no improvement from the previous year. Only 18% of the municipalities could submit financial statements without material misstatements." The AG adds that the performance reports of 67% of the municipalities that produced such reports had material flaws and were not credible enough for the council or the public to use. Prevalent use of consultants yielded minimal intended results. Municipalities spent R1, 26 billion on consultants for financial reporting services, of which only 7% was as a result of vacancies in municipal finance units. This amount includes R522 million for consultant costs at municipalities with outstanding audits where financial statements were received. Only 14% of the municipalities using consultants showed an improvement in their audit outcomes, while 22% regressed (Auditor-General Report, 2020).

6. Consequence Management

Fungi (2017:1) asserts that a proposal to rope in government investigative agencies to lift the lid on the rife misuse of state funds in municipalities is in the pipeline. The move is expected to expose those involved in wrongdoing and implement corrective measures. A proposal has already been made in Parliament to approve extending the powers of the Auditor-General's office.

Parliament was expected to investigate the proposal and set processes for its implementation. If approved, the AG would submit a list of municipalities to be investigated to the Hawks, the Special Investigating Unit, and the Public Protector. There was no confirmation regarding the timeframe for the implementation of the consequences management plan. Parliamentarians were expected to deliver before their term of office comes to an end. It was likely that referrals could start in earnest by 2018. Fungi

(2017:2) accentuates that the introduction of requisite consequences will turn the tide toward governance in the public sector.

According to Thutshini (2016:5), the consequences of management is outlined in terms of Section 83(1) of the Public Finance Management Act (PFMA).It stipulates that if an Accounting Officer or Authorities(AA) who commits an act of financial misconduct wilfully or negligently fails to comply and ensure compliance with any provisions of the PFMA and makes or permits an unauthorized expenditure, an irregular expenditure or a fruitless and wasteful expenditure consequences management will be affected.

Conclusions and Recommendations

The study argued that lack of accountability and poor quality of submitted financial statements are the root causes of regressed audit outcomes and the increase in irregular expenditure. The current accountability failures have a negative impact on service delivery and on the lives of citizens. Failure to investigate findings from the Auditor-General's office worsened the municipalities' financial situation.

In financial reporting, transparency is closely associated with the disclosure of information, but the nature of its presentation and the location of such information affect public accessibility. Transparency can achieve little if it does not meet elementary epistemic and ethical standards. Therefore, the material that is disseminated or disclosed must be accessible to the relevant audiences. That transparency tool should include languages that can easily be understood. Print and electronic media should also be used as a tool for consultation.

The study recommends the implementation of consequence management by the government. The control measures to deal with accountability failures are outlined in legislation such as Section 32, of the Municipal Finance Management Act regarding irregular expenditure, unauthorised expenditure and wasteful and fruitless expenditure. Secondly, section 83(1) of the Public Finance Management Act (PFMA) also outlines consequence management regarding irregular expenditure. It is therefore recommended that the South African government must enact the new legislative framework that will incorporate Consequence management that will be vested with the authority to work and prosecute the perpetrators. The approach should directly involve the Law Enforcement Agencies, the Auditor-General and the Public Protector.

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