

FreeFACTS

No 10/2020 / October 2020 / Issue 30

Find us online at www.irr.org.za

Corruption eats at South Africa's foundations

Corruption is the equivalent of having a termite infestation in a wooden house. It gnaws at the foundation and supporting walls and if not halted in time, the house is no longer safe to live in and must be abandoned.

Corruption does something similar to a country, making the country more fragile and a place where people no longer want to live. Corruption (whether from the private or public sector) steals from ordinary people – particularly the poor – and gnaws at the foundations of the state. As corruption becomes more rife the state becomes increasingly incapable of providing the services its citizens.

As the secretary-general of the African National Congress, Ace Magashule, is charged with corruption, it is becoming clear that the cancer of corruption is becoming more widespread in South Africa.

This edition of *FreeFACTS* looks at statistics around corruption in South Africa. It looks at our country's ranking on the Corruption Perceptions Index, down which we have slowly slid since the end of apartheid. It also provides information from Corruption Watch but perhaps most importantly it looks at how the number of qualified audits have grown in municipalities and government entities. Less than a quarter of government entities and departments had an unqualified audit in the most recent year for which information is available. Even more concerning is that fewer than ten percent of municipalities had an unqualified audit in that same reporting year. Not one single municipality had an unqualified audit, a shocking state of affairs.

What makes corruption so insidious is that it steals the future of a country. And let's be clear, the facts show that South Africa's future is being stolen in a brazen heist.

South Africans must ensure that the country's leaders and politicians know that they will only accept a 'zero-tolerance' attitude towards corruption. When politicians face credible accusations of corruption they must have their day in court and if found guilty, spend time behind bars.

Corruption will destroy the future of South Africa, we must not allow this to happen.

— **Marius Roodt**

JOIN US

The IRR is an advocacy group that fights for your right to make decisions about your life, family and business, free from unnecessary government, political, and bureaucratic interference. FreeFACTS publishes evidence that communities are better off when individuals are free to make decisions about how they want to live, be educated, work, access healthcare, think, speak, own property, and protect their communities. If you agree with the issues we stand for, welcome to the team. There are millions of people just like you who are tired of South African politicians, activists, and commentators attempting to rein in your freedom to decide. Take control and make sure your voice is heard by becoming a friend of the IRR.

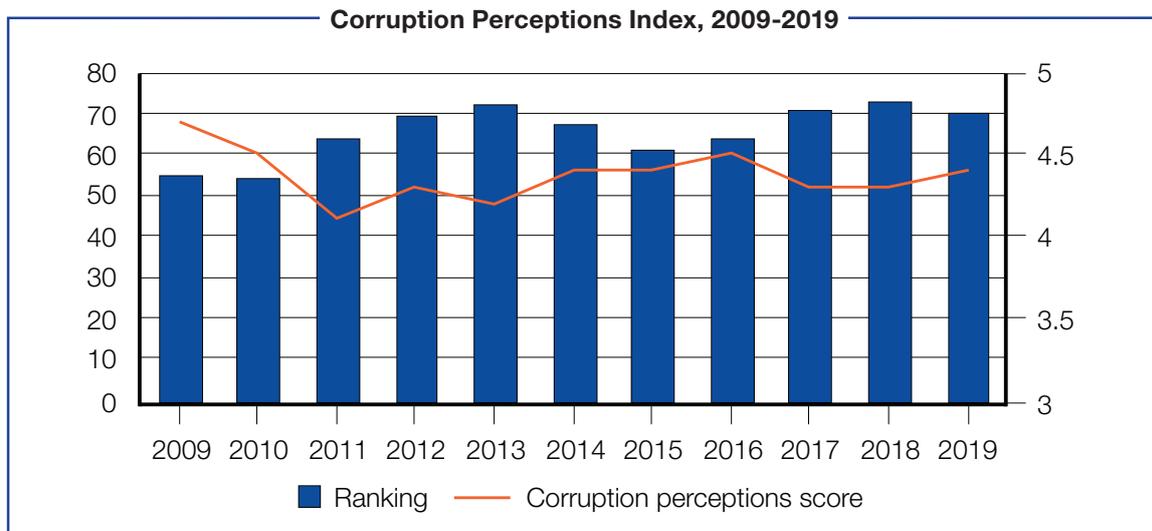
**SMS YOUR NAME
TO 32823
SMS costs R1.
Ts and Cs apply.**

Corruption

Corruption Perceptions Index ^a , South Africa, 1995-2019			
Year	Ranking ^b	Corruption perceptions score	Number of countries surveyed
1995	21	5.6	41
1996	23	5.7	54
1997	33	5.0	52
1998	32	5.2	85
1999	34	5.0	99
2000	34	5.0	90
2001	38	4.8	91
2002	36	4.8	102
2003	48	4.4	133
2004	44	4.6	146
2005	46	4.5	159
2006	51	4.6	163
2007	43	5.1	180
2008	54	4.9	180
2009	55	4.7	180
2010	54	4.5	178
2011	64	4.1	183
2012	69	4.3	176
2013	72	4.2	177
2014	67	4.4	175
2015	61	4.4	168
2016	64	4.5	176
2017	71	4.3	180
2018	73	4.3	180
2019	70	4.4	180

Source: Presidency, *Development Indicators 2012*, August 2012, p95; Transparency International, www.transparency.org, *Corruption Perceptions Index 2013*, accessed 23 September 2014; *Corruption Perceptions Index 2014*, accessed 3 August 2015; *Corruption Perceptions Index 2015*, accessed 27 July 2015; *Corruption Perceptions Index 2017*, 21 February 2018; *Corruption Perception Index 2018*, 24 October 2019; *Corruption Perceptions Index 2019*, 11 November 2020

- a The Corruption Perceptions Index is a project by a Berlin-based organisation, Transparency International. The Index reflects perceptions of corruption among resident and non-resident business people and analysts.
- b Countries are ranked from 0 to 10 where 10 means highly clean and 0 means highly corrupt. Owing to the increase in the number of countries surveyed over the years, South Africa scored a lower ranking, not because of a deteriorating score, but because of the inclusion of countries with a better score or the improved scores of existing countries. In some instances, the country went down the rankings even though its score had increased, such as between 2005 and 2006. South Africa's score of 4.4 is slightly better than the global average of 4.3.



Corruption

Corruption reported^a by institution, 2018 and 2019

Institutional location	2018	2019
National government	27.0%	29.0%
Provincial government	35.0%	20.0%
Local government	23.0%	26.0%
State Owned Entity	4.0%	2.0%
Private sector	5.0%	19.0%
Other	6.0%	4.0%
Total	100.0%	100.0%

Source: Corruption Watch, *Upholding Democracy: The ongoing fight for human rights Annual Report 2019, 2020*, p23

a Corruption Watch receives reports from whistle-blowers and members of the public which assist the organisation in identifying patterns and hotspots of corruption in the country.

Reports of corruption within police ranks by province, 2018 and 2019

Province	2018	2019
Eastern Cape	3.0%	2.0%
Free State	4.0%	4.0%
Gauteng	55.0%	60.0%
KwaZulu-Natal	13.0%	14.0%
Limpopo	5.0%	5.0%
Mpumalanga	4.0%	4.0%
North West	3.0%	2.0%
Northern Cape	2.0%	2.0%
Western Cape	10.0%	7.0%
Unknown	1.0%	0.0%
Total	100.0%	100.0%

Source: Corruption Watch, *Upholding Democracy: The ongoing fight for human rights Annual Report 2019, 2020*, p45

Reports on types of corruption within the police, 2019

Abuse of power	13%
Procurement irregularities	11%
Employment irregularities	27%
Abuse of resources	10%
Fraud	10%
Other	29%

Source: Corruption Watch, *Upholding Democracy: The ongoing fight for human rights Annual Report 2019, 2020*, p40

Corruption

Reports of corruption within the public healthcare sector by province, 2018 and 2019		
Province	2018	2019
Eastern Cape	11.0%	7.0%
Free State	5.0%	8.0%
Gauteng	40.0%	52.0%
KwaZulu-Natal	10.0%	5.0%
Limpopo	11.0%	7.0%
Mpumalanga	5.0%	11.0%
North West	8.0%	5.0%
Northern Cape	0.0%	1.0%
Western Cape	7.0%	0.0%
Unknown	3.0%	4.0%
Total	100.0%	100.0%

Source: Corruption Watch, *Upholding Democracy: The ongoing fight for human rights Annual Report 2019, 2020*, p41

Reports on types of corruption in the health sector, 2019	
Abuse of power	13%
Procurement irregularities	11%
Employment irregularities	27%
Abuse of resources	10%
Fraud	10%
Other	29%

Source: Corruption Watch, *Upholding Democracy: The ongoing fight for human rights Annual Report 2019, 2020*, p40

Corruption

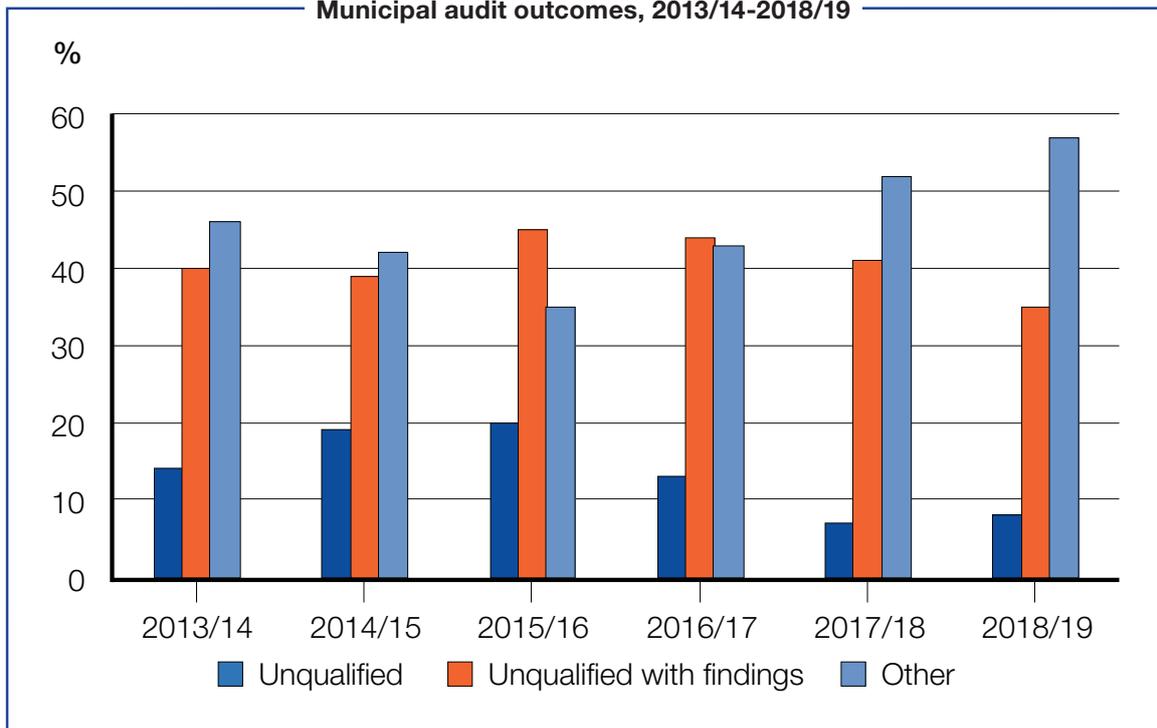
Municipal audit outcomes, 2013/14-2018/19

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Unqualified	14%	19%	20%	13%	7%	8%
Unqualified with findings	40%	39%	45%	44%	41%	35%
Other	46%	42%	35%	43%	52%	57%

Source: Auditor-General Annual Reports

Note: Unqualified financial statements means they are free from material misstatements and there are no material findings on reporting on performance objectives or non-compliance with legislation. Unqualified with findings means they contain no material misstatements. Unless an unqualified audit outcome has been expressed, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects. Other includes qualified audit opinion, adverse audit opinion, disclaimer of audit opinion, and outstanding audit.

Municipal audit outcomes, 2013/14-2018/19



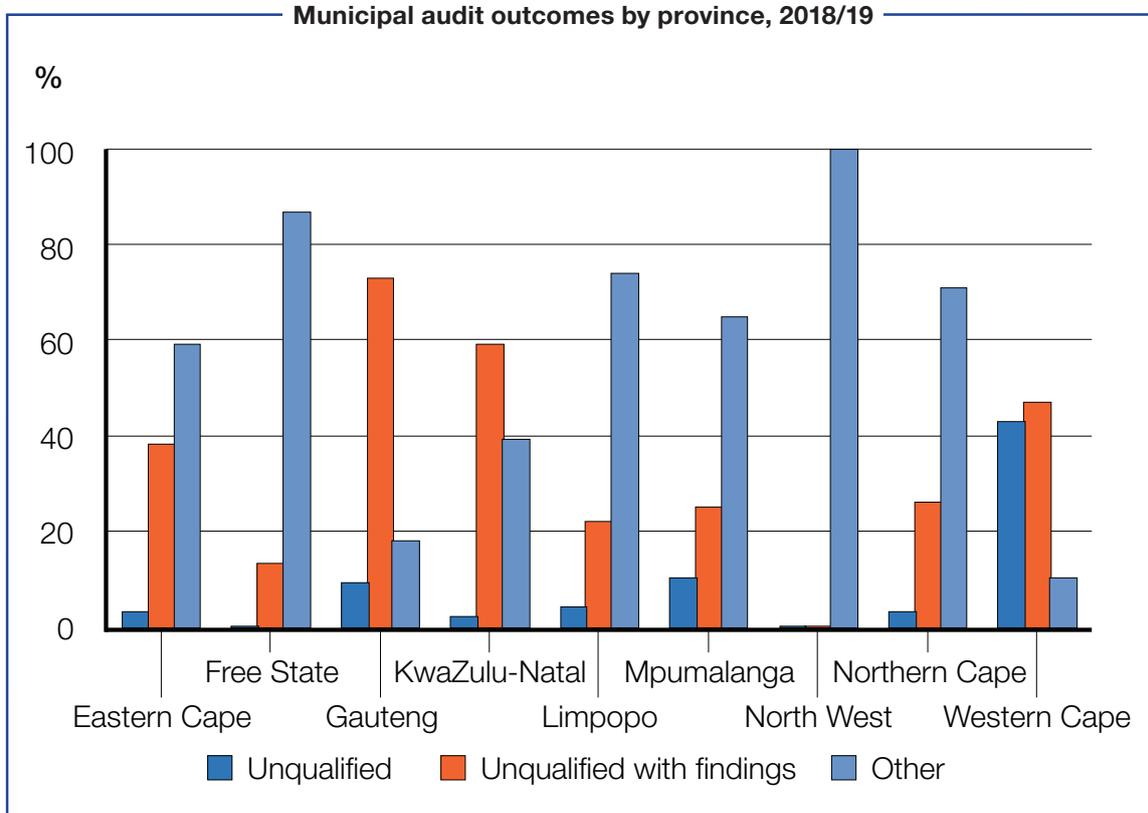
Corruption

Municipal audit outcomes by province, 2018/19

	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	North West	Northern Cape	Western Cape
Unqualified	3%	0%	9%	2%	4%	10%	0%	3%	43%
Unqualified with findings	38%	13%	73%	59%	22%	25%	0%	26%	47%
Other	59%	87%	18%	39%	74%	65%	100%	71%	10%

Source: Auditor-General of South Africa

Municipal audit outcomes by province, 2018/19



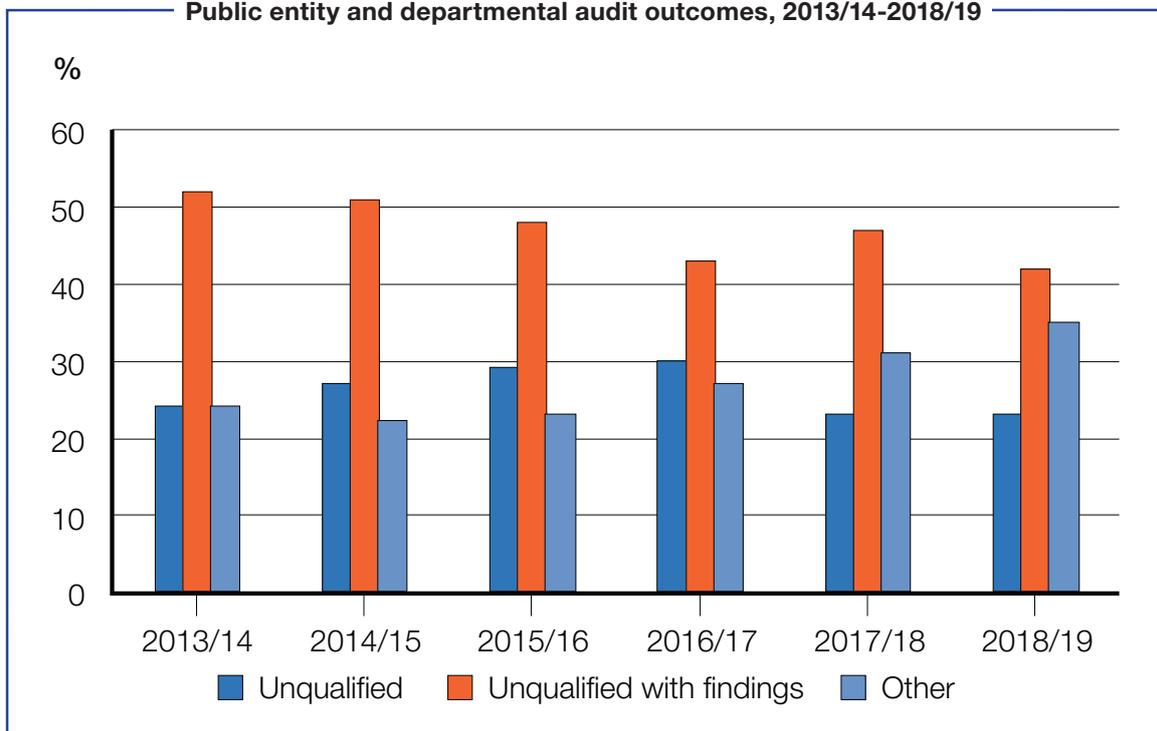
Corruption

Public entity and departmental audit outcomes, 2013/14-2018/19

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Unqualified	24%	27%	29%	30%	23%	23%
Unqualified with findings	52%	51%	48%	43%	47%	42%
Other	24%	22%	23%	27%	31%	35%

Source: Auditor-General Annual Reports

Public entity and departmental audit outcomes, 2013/14-2018/19



Corruption

ANC NEC members implicated in corruption

Implicated in serious corruption	41
Not implicated	8
Unknown	31

Source: Centre for Risk Analysis estimates

ANC NEC members implicated in corruption

