

## **Local Government Brief: 08/2013**

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### **SALGA stands firm on anti-corruption and maladministration**

*Local Government Briefs are monthly electronic updates for municipalities on critical areas of law, policy, facts and data affecting the sector.*

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#### **1. Background**

SALGA conducted a research in 2011 in response to increasing perceptions that local government is generally corrupt. The research paper was presented in the SALGA National Conference under a commission entitled “Local Government Leading a fight against corruption”. The Commission made 20 recommendations on how the sector should to address corruption.

#### **2. Discussion**

In order to implement the Conference’s resolutions SALGA decided to host a National Anti-Corruption Summit. The Summit was attended by key stakeholders including municipalities, SAMWU, IMATU, Justice and Constitutional Development, COGTA, Public Protector, Corruption Watch and other local government practitioners. The following issues were deliberated on:

- Improved good governance and clean administration in local government;
- Strengthening anti-corruption measures in local government;
- Building good governance and resilient administration; and
- Enhancing accountability and integrity of, and oversight in municipalities
- Encouraging peer leaning on good practices across municipalities

#### **3. Outcomes of the Summit**

It was emphasised that corruption dominates the narratives in of local government in the country as municipalities continue to attract negative publicity which fuels the growing perception that local government is synonymous to corruption. It further noted that corruption at local government level does increase the cost of delivering services because it increases the cost

of procuring goods and services. There were concerns raised to the effect that the fight against corruption, including reporting by the media, seems to be limited to only what is taking place within the public sector while the conduct of the private sector does not attract similar level of interrogation.

An example was noted regarding the reported collusion between constructing companies during the construction of World Cup stadia. In this regard, participants noted that the anti-corruption machinery in South Africa had not shown a strong hand in dealing with the reported collusion. Further, the mere fact that such conduct between construction companies is termed “collusion” gave the impression that this was a behaviour that is acceptable in a market society. Municipalities are of the view that such a case should rather be dealt with through anti corruption agencies, instead of the matter being referred to the Competition Commission for deliberation and finalisation.

The construction companies’ collusion on the building of the stadia demonstrates that South Africa requires a single or centralised corruption fighting institution through which uniform standards and norms would be followed in addressing all cases that relate to corruption. At this point however, South Africa’s corruption fighting instruments are defragmented, and do not follow uniform standards. This is despite the fact that South Africa has a single legislation that exhaustively defines corruption namely, Prevention and Combating of Corrupt Activities Act (2003).

The summit also noted that there are cases of good practice in some municipalities and such cases need to be widely shared and reflected upon for peer learning purpose. In her keynote address at the summit, the Public Protector Adv. Thuli Madonsela reflected on a case of municipality in Limpopo where the municipal manger challenged those who alleged corruption by opening the books for public scrutiny and also consulting with the community explaining how the funds were used by the municipality. At the end, the municipal manager was cleared and it was found that the allegation of corruption in this case were baseless.

This case, according the Public Protector, shows how good leadership at local government level can rise above the growing perception of corruption at local government. It was also agreed upon that such cases of good practice need to be

told so that it can be clear that municipalities are also partners in fighting corruption.

Municipalities also require support in the form of skilled finance persons to ensure that they comply with the legislative requirements. Much has been done when it comes to defining and clarifying the reporting routine whose adherence would ultimately narrow the space for emergence of corrupt practices. What is important at this point is to cement the culture of ethical behaviour at local government level, thus going beyond legislative compliance. It is possible to provide quality services at local government while at the same time complying with the legislation on how such services are should be provided. There need to be more support to local government to ensure the above configuration becomes a defining feature of local government in South Africa.

### **3. Implications for municipalities**

It is important that internal control measure n the form of stronger and effective audit committees, for example, need to be in place. Such control mechanisms would drastically reduce opportunities for corruption. However, it is important that skilled and experienced people are recruited to occupy those positions. The main challenge confronted by municipalities is to recruit skilled personnel.

Municipalities need to share cases of good practice, so that those that are struggling would draw lessons thereof. Those municipalities that have been able to secure clean audits, for example, and good performance should be studied with the aim to see how their practices can be emulated elsewhere. Municipalities collectively bear good lessons that can be shared widely across the sector. There are at this point no demonstrable efforts by municipalities to learn from each other. This needs to be addressed so that good practices are not only limited to certain areas.

Political parties represented at local government level should provide space for municipality officials (e.g. municipal managers) to exercise their functions professionally without undue political interference. There need to be a clear demarcation between the role of elected officials on one hand and that of administrative and support officials on the other hand at local government level.

This will ensure effective accountability and better performance of municipalities.

Good governance begins with support. The Constitution of South Africa provides that the other two spheres of government (provincial and national) have an obligation to provide support to local government. It is important that the call for good governance at local government is matched by equal measure of support to the sector. Municipalities should also make it publicly known where they need support.