

State of Corruption Causing Financial Misconduct in the South African Public Sector

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Abstract: The study analysed the state of corruption and financial misconduct in the South African public sector. The study employed a qualitative research approach to gather data. The study used literature and document review to compile information on corruption and the measures required to combat financial misconduct in South Africa's public sector. The study used secondary data, and no human interaction was involved. The secondary data was sourced from official records and literature that is available in public domain. The aim of the study is to explain what corruption is and discusses its causes and history, specifically in the South African context. The study identifies anti-corruption measures and the extent of financial misconduct in South Africa and discusses factors hampering the successful implementation of anti-corruption measures. The study offers recommendations for improving the state of corruption and financial misconduct in South Africa. Analysing corruption facilitates the identification of flaws in the legal and governance frameworks, paving the way for changes that could enhance accountability and openness in public administration. This study is important to the body of knowledge because it provides a more recent account of the corruption and financial misconduct that has been taking place in South Africa's public sector. It reviews some of the acts and plans that were created to stop corruption, and analyses whether they have been fruitful or not. This research on corruption is crucial to developing a more transparent, effective, and equal system of government in South Africa. Results of such studies can be used by government agencies to strengthen institutions, enhance policies, and eventually provide better public services. Based on the findings of studies into corruption, government agencies can work together, sharing best practices and problems. This results in a more cohesive and successful strategy to fight corruption at all governmental levels.

Keywords: Anti-corruption measures, corruption, financial misconduct, South African public sector, wrongdoings.

Introduction

South Africa is ravaged by crime so much that even government officials are said to play a role in the downfall of the state's economy as well as its lack of growth (Grobler & Joubert 2004:91). According to PricewaterhouseCoopers (PwC) (2020:4), fraud and accounting/financial statement fraud have increased by more than 12% between 2018 and 2020; the perpetrators are usually in senior management positions. Within the last few decades, South Africa has seen a spike in the amount of money that has been going 'missing', which was initially intended to develop the country in a positive way (PwC 2020:4). This study analysed corruption and financial misconduct within the South African public service sector to find ways to minimise or preferably abolish this degenerative behaviour in the country. The rationale for the study is that corruption has encroached upon every aspect of society, business, and government. South Africa scored 43 on Transparency International's Corruption Perception Index (CPI) in 2017 and 44 in 2019 and 2021. This CPI index assigns each nation a score between zero and 100; a low score is exceptionally corrupt, and a high score implies a corruption-free society (Transparency International 2021). A low score indicates widespread corrupt activities and an absence of disciplinary consequences for such activities; additionally, it shows that governmental establishments do not respond to the requirements of the general population.

The South African CPI ranking ranged at 46.97 points annually between 1996 and 2016, reaching a peak of 56.80 points in 1996 and a historic low score of 41 points in 2011 (Transparency International 2021). These scores show that South Africa was far less corrupt during the apartheid regime and a few years after it had its first post-apartheid democratic elections. However, corruption and financial misconduct in the public sector have increased in recent years. According to Piper and Chairman (2018, cited by Magang & Magang 2021:128), a 'tenderpreneur' is a commercial entrepreneur that uses their influence in politics to obtain federal contracts for procurement, or 'tenders', often in return for personal benefits or favours. It is further stated that, a tenderpreneur or tenderpreneurship in South Africa is a typical style of government fund exploitation. This type of entrepreneurship involves those who enrich themselves through corruption by granting government tender deals, typically via unethical ties and personal relations (even though outright bribery can also happen), and sometimes by the involvement of a politically chosen or appointed official (or their family members) (Magang & Magang 2021:128). Overcharging and substandard workmanship are frequently associated with this type of corruption (Krsteski 2017:49).

According to Tsheletsane and Fourie (2014:42), the South African Auditor-General generates only a small proportion of clean certified audits, indicating that the systems, procedures, and laws in place to prevent corruption and financial malfeasance in government ministries have had limited success. Such things must be taken more seriously for financial misconduct and corruption to decrease. A country's effective and efficient service delivery requires sound public financial management. If this is not followed, government programmes and service delivery will continue to fail (Tsheletsane & Fourie 2014:43). That is why according to qualified audits submitted by numerous South African government departments, the Public Financial Management Act, No. 1 of 1999, the legislative oversight body, and the larger legal framework for managing public funds were entirely or partially ignored (Tsheletsane & Fourie 2014:43).

However, most of the corruption and other wrongdoings in South Africa were determined to originate from the country's public sector, including the national government (28%), province governments (8%), and municipal governments (8%). According to Corruption Watch (2021), local government corruption accounted for 24% of all corruption reports during the 2020/2021 financial cycle (Corruption Watch 2021:9). Manyaka and Sebola (2013:75, cited by Vyas-Doorgapersad & Thonzhe 2017) state that the severe levels of illicit activity in South Africa threaten the rule of law and restrict the government's ability to bring about development and socioeconomic change. Vyas-Doorgapersad and Thonzhe (2017:139) argue that there are serious problems with the necessity of preventing corruption and unethical behavior, and the current regulatory framework is ineffectual.

Materials and Methods

Considering the context mentioned above, the primary research question was: What are the causes of corruption, and what measures are required to combat financial misconduct within South Africa's public sector? This investigation used a qualitative method of study. According to Fossey, Harvey, McDermott and Davidson (2002:717), one of the primary objectives of qualitative research is comprehending the experience and significant components of individuals and social settings. Qualitative research refers to research methods that depict and clarify people's experiences, actions, interactions, and social events without using quantitative data or statistical procedures (Fossey et al. 2002:717). The study used two data collection methods: literature review and document review. A literature review is a review or discussion of the most recent published works on a specific subject (Cantero 2019:1). It tries to gather and evaluate the information in light of the study's question(s), thesis, and key theme(s). The literature review comprised online articles, doctorate and master's documents on corruption in South Africa, financial misconduct, illegal financial flow, corruption-related publications, and others. According to Bowen (2009:27), a document review, often called document analysis, refers to the rigorous procedure of looking over or evaluating materials, both electronic (computer-based and distributed via the Internet) and printed (Bowen 2009:27). The South African Acts, Eskom annual reports, and Auditor-General reports were among the documents evaluated. The data was analysed using document analysis and conceptual analysis. Like any qualitative technique, qualitative document analysis focuses on depiction and exploration, including the hunt for fundamental purposes, trends, and procedures rather than just quantity or statistical connections between two or more variables (Altheide 1996; Berger 1982, cited by Altheide 2000:290). According to Petocz and Newbery (2010:126), conceptual analysis is the process of looking at concepts, vocabulary, variable quantities, meanings, claims, theories, and hypotheses.

The research is qualitative as it aims to interpret and comprehend phenomena in their social, institutional, political, economic, technological, institutional, and organisational settings.

The research design considered under qualitative study is exploratory. Exploratory study typically clarifies a problem or advances comprehension of an idea. The study investigated the scope and root causes of financial wrongdoing and corruption in the South African public sector using an exploratory research design.

The following data analysis methods were used: document analysis and conceptual analysis.

Ensuring that the results are valid, and the data are reproducible is the purpose of ensuring validity and reliability in research.

Results and Discussion

The literature compiled in this section explores the following: the conceptual framework of corruption; and cases of corruption and financial misconduct recorded in South Africa. The article provides recommendations that can be considered significant by policymakers and strategic role-players for implementation in government departments, organisations and local government entities to combat corruption.

Conceptual framework of corruption

According to Bardhan (1997:1320), corruption is an ancient problem; in one form or another, it has always existed; its prevalence has varied throughout time and across locations, with variable degrees of detrimental effects. Andvig and Moene (1990:64) are also of the opinion that if a member of a public organisation deals with a non-member directly or indirectly and utilises the resources of the organisation, such as their decision-making authority and inside knowledge, to obtain remuneration that is against the organisation's rules or the law, that person is acting corruptly (Andvig & Moene 1990:64). Thus, if a citizen attempts to bribe a bureaucrat or a public servant, that person expects a corrupt act to be performed for them.

Corruption in government institutions usually also results in diminished public involvement, a loss of faith in government, and a rise in socioeconomic inequality (Mtapuri 2016:8). It was emphasised by Tanzi (1998:559) who stated that governments have fallen because of allegations of corruption in developed and developing nations, big and small, market-oriented or not. Prominent politicians, such as presidents, prime ministers, and high-ranking government officials, have been removed from their governmental posts; in some instances, corruption has resulted in the replacement of entire political classes (Amick, Bukovansky & Liu 2022:284). It is imperative to consider that corruption is an extra-legal institution that people or organisations utilise to influence the decisions made by the bureaucracy (Leff 1964:8). According to Heidenheimer (1970:3–9, cited by Nas, Price & Weber 1986:108), various definitions for corrupt conduct exist: market-centered, public interest-centered, and public office-centered. This study centred on the public office-centered definition, which concerns officials' betrayal of the people's confidence.

The existence of corruption suggests that external actors who are not in public service are more active in making decisions than they should be. This understanding provides details about the actual political system, as opposed to the formal one. However, it says nothing about the content or long-term repercussions of the chosen policies (Heidenheimer 1970:3–9, cited by Nas et al. 1986:108). According to Mauro (1995:681 citing Leff (1964) and Huntington (1968)), corruption could boost economic growth through two different processes. First, using corrupt methods like 'speed money' would let people bypass bureaucratic delays. Second, in most developing nations, certain government employees are 'permitted' to collect bribes, enabling them to put in more effort, particularly when bribery functions as a piece rate. Unfortunately, this type of thinking allows corruption to grow, thus making it an endemic that negatively affects the masses. It also allows a minority and those performing acts of corruption to enjoy special perks.

According to Faull (2008:21), police who take bribes to avoid issuing speeding fines know they are breaking the law. Maybe they act alone or know that their coworkers act similarly. In any case, given their involvement in obstructing justice, individuals are unlikely to have complete faith in the legal system, whether it be their own or another. In contrast to many other industries, police institutions give people at the bottom of the organisational hierarchy easy access to discretionary power that might be exploited (Faull 2008:21). Corruption, hence, has come to mean different things in different contexts. For instance, Lodge (1998:158) asserts that political corruption can be seen as the unscheduled or unsanctioned use of funds meant for public development and maintenance, which are instead used for the private interests of public servants.

Through the review of literature, it can be considered, as emphasised by Vyas-Doorgapersad (2024:220) that the bureaucratic offices are becoming hubs for corruption and can be perceived as biased because of plenipotentiaries abusing their authority to approve appointments of people they know. Corruption is becoming more likely to occur at all these vertical levels. Additionally, corruption can happen at the horizontal level, affecting multiple departments

and units. Human resources, for example, may submit preferred candidates for consideration, engage in unethical hiring practices, ignore warning signs, and make irregular appointments. If the legality of documents is ignored, tenders are disclosed, or they are distributed to friends and family while compliance issues are missing, procurement processes may be dishonest. These are just a few instances of how corruption has obviously spread and weakened the values and morals of workers, employers, people, and institutions. At the levels of government, politics, bureaucracy, and public service, corruption is seen and recorded (Vyas-Doorgapersad 2024:220).

Cases of corruption and financial misconduct

As a guardian of sound governance, the Public Service Commission (PSC) is responsible for encouraging and monitoring South African public service's beneficial, economical, and inexpensive use of resources. The Constitution also mandates the PSC to investigate and assess how public service is organised, run, and conducted (PSC 2010:1). All public service departments are required to report on finalised cases of illicit financial flow to the PSC, among other entities, in accordance with the Public Finance Management Act (PFMA), 1999, and Chapter 4 of the Treasury Regulations, 2002 (PSC, 2010:1).

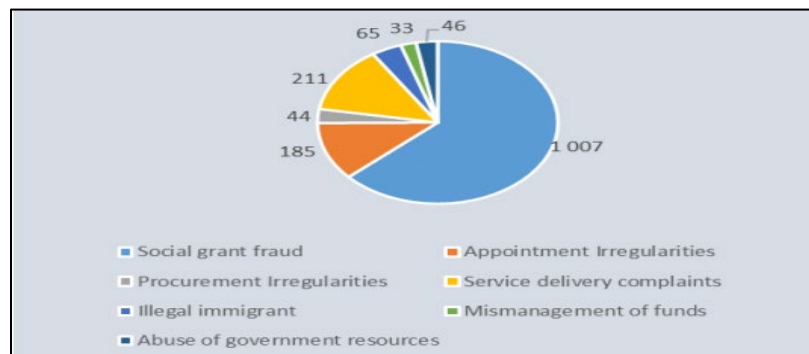
For the 2008/2009 fiscal year, a total of 1,204 instances of financial malfeasance were recorded. Cases of financial misconduct include egregious carelessness as well as fraud, theft, misappropriation, and misuse of government resources (PSC 2010:1). The overall cost of unapproved, irregular, unproductive, and wasteful spending, as well as losses from criminal activity, as reported by South Africa's national and local ministries for the 2008/2009 fiscal year was well over R100 million (R100,111,076.82). The PSC (2010:10) states that compared to the cases recorded in the 2007/2008 fiscal year, the finalised financial transgression cases registered to the PSC increased significantly (28%).

Only 754 finalised instances of financial delinquency from national and provincial agencies were reported by the PSC in the 2013/2014 fiscal year (PSC 2015:6). This means there were fewer finalised financial misconduct accusations in that specific financial year than there had been during the preceding five years, a fall of more than 38% (PSC 2015:6). The types of financial misconduct have undergone a significant shift; whereas in the 2008/2009 fiscal year, fraud accounted for a large portion of cases (633), in the 2013/2014 fiscal year, misspent funds and abuse accounted for most cases (209) (PSC 2015:6).

However, even though there were fewer cases in the 2013/2014 fiscal year than in the 2008/2009 fiscal year, it is stated that twice as much money was at stake in cases of financial misconduct. In 2013/2014, there were over R200 million (R208,268,012.35) involved in public service misconduct, which is twice as much compared to 2008/2009 (R100,111,076.82) (PSC 2010:1). Even though there was a 38% decrease in cases, the amount of money lost and utilised improperly doubled in the 2013/14 financial year, compared to just four years previously (PSC 2015:6). However, the 2019/20 financial year yielded more financial misconduct cases than both the 2008/09 and 2013/2014 financial years (PSC 2021:17).

During the period of 1 April 2019 to 31 March 2020, the PSC reported 1,591 cases of financial misconduct and corruption allegations (PSC 2021:17). The types of corruption allegations and cases that were conveyed to the National Anti-Corruption Hotline (NACH) are shown in Figure 1, highlighting the types of corruption allegations the department receives.

Figure 1: Types of Corruption Allegations and Cases Reported to the NACH



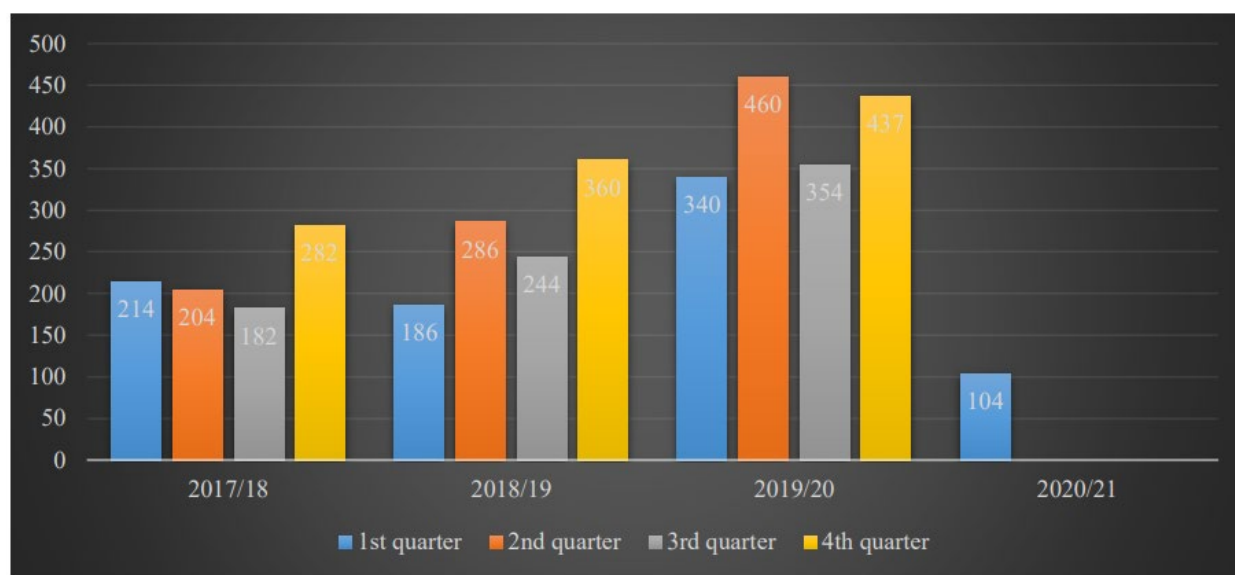
Source: PSC 2020:17

For the government and its departments to handle certain risk areas, it is crucial to keep notice of the sorts of complaints submitted through the NACH to allow government departments to pay attention to and effectively address the targeted

issues. The departmental risk management strategies must address these identified risk areas (PSC 2021:17). The above information from the PSC shows that from 2009 to 2019, not only did the total number of misconduct cases in South Africa increase, but it also cost the government and public more. According to a speech at parliament on 12 May 2022 by Dr Mimmy Godwe (2021), the Department of Public Service and Administration has lost almost all fronts in the fight against corruption, fraud, and other types of misconduct in the nation's public service (Godwe 2022). The PSC informed the Portfolio Committee on Public Service and Administration in March of 2022 that the country's national and provincial departments spent roughly R103 billion on irregular expenditure, R2,7 billion on unnecessary and fruitless expenditure, and approximately R1,6 billion in unauthorised expenditure during the 2019/20 fiscal year. A substantial R107 billion has been spent through financial malfeasance (Godwe 2021).

Maile and Vyas-Doorgapersad (2023) also compiled information to explore that there is a high level of misconduct recorded in the public service, as shown in Figure 2.

Figure 2: Trend Analysis of Cases of Alleged Corruption Recorded from 2017/18 to the 2020/21 Financial Year



PSC, 2020:16, in Maile and Vyas-Doorgapersad 2023:12.

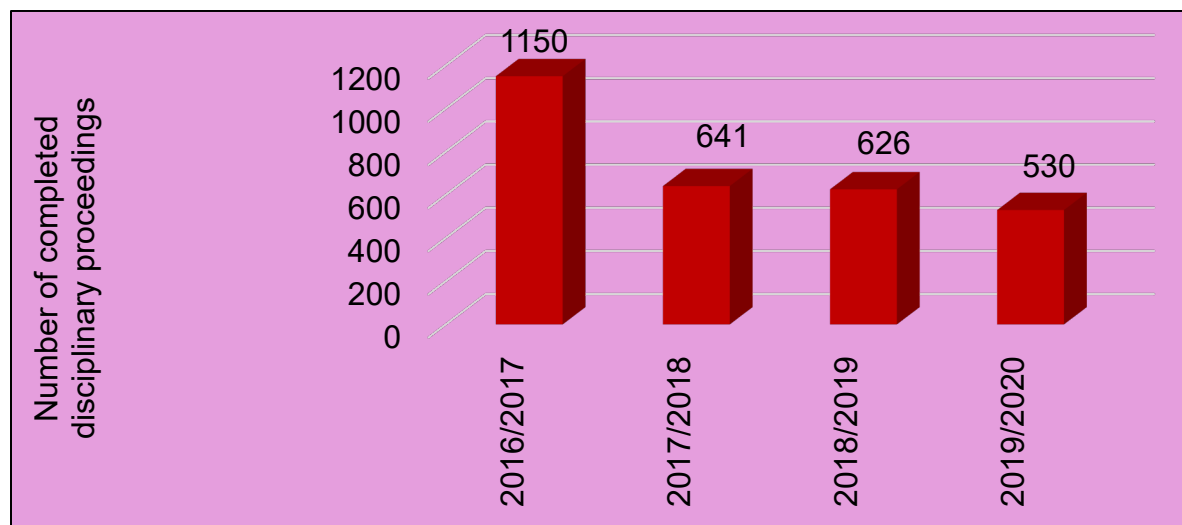
The statistics reflected in Figure 2 show that of the 3653 cases of alleged corruption received from 2017–18 to the 2020–2021 fiscal year, social grant fraud accounted for the most cases (2400) (66%). The number of cases increased from 727 in the previous fiscal year to 1,007 in the 2019–20 fiscal year (PSC 2020: 17, in Maile & Vyas-Doorgapersad 2023:12).

Even though the 2019/2020 financial year had 1,591 cases of financial conduct and corruption allegations, the PSC reported that only 530 cases resulted in disciplinary proceedings (PSC 2021:6). Affiliates of the senior management service (SMS) are involved in crimes, notably those involving erratic spending related to supply chain management (SCM). These people frequently hold committee chairs on committees such as committees like the Bid Evaluation Committee (BEC), Bid Specification Committee (BSC), and Bid Adjudicating Committee (BAC), which are tasked with supporting or approving contractual awards to service vendors (PSC 2021:6). The small number of completed disciplinary cases involving SMS (57 out of 530) is troubling since it implies that people in SMS are not held accountable for neglecting to have appropriate internal safeguards (PSC 2021:6). It is concerning that certain SMS members engage in financial crimes when, among other responsibilities, they are expected to design and oversee the application of necessary internal controls. This suggests that the SMS members are not acting according to the behaviour standards outlined in the Senior Management Service Handbook (PSC 2021:10).

Government departments' inability to promptly examine allegations of financial malfeasance can be blamed for the significant number of administrative proceedings that have been recorded as unfinished (PSC 2021:21). There has been a notable drop in the number of completed discipline processes compared to the 2016/17 fiscal year; nevertheless, this drop does not imply a decrease in offences involving financial malfeasance (PSC 2021:21). The converse is true;

a considerable drop in completed misbehaviour cases indicates that, over time, the government and its public officials have grown complacent in their efforts to combat fraud and corruption. From 2016/17 to 2019/20, corruption grew due to a capacity problem in the government (PSC 2021:21). The PSC (2020:19) claimed there were 1,150 completed instances of financial wrongdoing and corruption during the 2016/17 financial year. However, this figure was cut by half in the 2019/20 financial year, even though the government received approximately 1,591 grievance complaints recorded in the same year (PSC 2021:21). This shows that the government is becoming exceedingly worse at mitigating financial misbehaviour than better. Figure 3 shows the difference in the number of completed disciplinary proceedings.

Figure 3: Number of Completed Disciplinary Proceedings



Source: PSC 2021:21

The PSC has tracked the reporting of completed and pending disciplinary actions against departments for financial misconduct over the years and has observed that either departments underreport violations involving unauthorised, irregular, pointless, and wasteful expenditure or there is no consequence management (PSC 2021:29). Consequently, the PSC broadened the project's focus on financial misbehaviour by examining how consequence management for improper, irregular, unproductive, and wasteful spending is handled (PSC 2021:29).

The PSC's findings show that the South African public service is not only struggling to reduce the amount of financial misconduct but also failing to successfully resolve the majority of reported grievances and lower corruption and unauthorised spending. For this reason, the quantity of government resources being diverted for personal enrichment is astounding.

Result and discussion

To fight corruption and financial misconduct in the nation's public sector, the government has to be more strict and severe by punishing offenders and those found guilty of such crimes. Effective law enforcement is necessary to ensure that the crooked are held responsible and break the cycle of injustice (Corruption Watch 2016).

In many countries, improvements to the handling of finances and the role of auditing agencies have significantly lowered corruption rather than restructuring the public sector (Corruption Watch 2016). The Auditor-General should focus on examining areas meant to accomplish development and sustainability goals for all South Africans. These sectors control most of public spending and have the most significant effects on people's lives.

It is also crucial to ensure accountability and responsibility from politicians and other authorities, especially the accounting officer. According to Vyas-Doorgapersad and Ababio (2006:386, cited by Munzhedzi 2016:6), accountability can be defined as the responsibility for one's actions and the duty placed on public servants, including elected officials and appointed officials, to satisfactorily explain to the public (taxpayers) how they are using the resources, power, and authority entrusted to them.

It is advised that the government address some of the skill and knowledge gaps. It is crucial to make sure that all public sector organizations employ and assign qualified and experienced personnel. But putting this into practice could be difficult, particularly for rural communities that lack the funds to hire these qualified and experienced applicants (Munzhedzi 2016:7).

South African authorities need to organise audit forms and compliance. They must ensure that the entities under audit comply with laws, regulations, and instructions (Abbas, Kareem & Abd 2020:16964). This is one of the most crucial considerations for the auditor when auditing public sector facilities. The auditor accomplishes this by asking management and those in charge of governance about any issues that raise the possibility of non-compliance, looking through documents held by regulatory bodies, and noting instances where there is question or non-compliance inside the business.

On the legislative front, several South African legislations and Acts to stop corruption in the nation, such as the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004; Public Audit Act, No. 25 of 2004; Public Service Commission Act, No. 46 of 1997; Special Investigating Units and Special Tribunals Act, No. 74 of 1996; and Public Finance Management Act, No. 1 of 1999 (see Section 3.2). These government Acts aim to curtail, if not eradicate, corruption in South Africa—when used effectively, some do just that.

The study proposes that government and stakeholders can play a significant role in combating corruption. According to Fraser-Moleketsi (2009:337), through democratic practice, the state may effectively combat individualism, atomisation, and corruption. The necessity to establish a people's contract to bring the wealthy and the poor together is at the heart of defining the common good. The core of a contract between the government and its citizens is a pledge to facilitate development, eliminate impoverishment, and decrease economic inequality (Fraser-Moleketsi 2009:337). According to Ferreira and Bayat (2005:20), the Constitution of the Republic of South Africa requires superior ethics expertise, notably concerning management in all areas of government, state institutions, and public businesses. Additionally, it demands the following (Ferreira & Bayat 2005:20):

Constitutionally independent organisations like the Public Protector (a national parliamentary ombudsman) and the Auditor-General should be established.

The establishment of the Special Investigative Unit to investigate and recoup misused public funds.

A directorate for investigating corruption. The creation of inspector generals within several governmental agencies, including the armed forces, police, and intelligence services.

The Executive Members' Ethics Act and its code of conduct govern how the president and vice-president, deputy ministers, and members of provincial executive councils (cabinets) should behave and disclose their interests.

According to Linhartova (2017:121), e-government could lower corruption. By eliminating intermediate services, e-government reduces the opportunity for corruption and empowers citizens to handle their own transactions. The term 'e-government' has come to refer to all information technology applications in public administration, including information sharing and business-to-government, business-to-consumer, and government-to-citizen transactional activities (Linhartova 2017:121). According to United States Agency for International Development (USAID) (2006:4), because e-government speeds up government procedures and promotes transparency, it can help reduce corruption. Government procedures are more objective and rule-based since they are scheduled and maintained. It also provides anonymity and increases traceability (USAID 2006:4).

Any person, group, or organisation involved in the sector or exposed to the effects of sector operations meets the requirements to be considered a stakeholder (Soreide & Truex 2013:205). Stakeholders are those parties who have significant connections to an organisation. Trust can be established when those involved engage with the business in morally righteous ways. If such is the case, the quality of a company's ethical values would be reflected in the level of trust that is placed in it (Nichols & Dowden 2019:172). By fostering the growth of solid moral cultures within corporate organisations, the global anti-corruption system helps to maximise stakeholder trust, which reduces bribery (Nichols & Dowden 2019:172). Any identified group or individual the organisation depends on is referred to as a stakeholder. The primary stakeholder category typically includes vendors, consumers, workers, shareholders, and investors. Clarkson (1995, cited in Thomas 2012:454) includes the public stakeholder category, consisting of communities and governments that supply marketplaces and infrastructure, whose rules and laws must be followed, and whose duties and taxes are owed.

Several academics have studied the connections between development and democratic governance, emphasising how it is impossible to promote sustainable development without strong democratic institutions (Kimemia 2013:157).

These scholars consider democratic governance a dynamic process encompassing both vertical and horizontal integration within public organisations, as well as their interactions with private institutions, civil society organisations, and non-governmental organisations (NGOs). Without this dynamic process, there would be little to no chance of sustained progress (Kimemia 2013:157). All social, political, economic, and private development players are included in this dynamic decision-making process, which has as its ultimate objective the creation of sustainable development strategies. Corruption Watch (2021) is an anti-corruption non-governmental organisation (NGO) in South Africa that encourages people to report instances of government corruption, provides thorough reporting on corruption so that interested parties can distinguish between public institutions and areas of government, and conducts investigations to assist law enforcement.

South Africa can also explore best practices in African context and startegise what can be adapted in the country-context. The study explores one best practice of Seychelles that can be considered as lesson learnt for South Africa. Seychelles, a captivating archipelago renowned for its amazing natural beauties and rich cultural legacy, is at the top of the rankings for anti-corruption in Africa (Nomad Capitalist 2022). This exceptional country's Corruption Perception Index (CPI) score indicates that its government is dedicated to advancing transparency and combatting corruption. The Anti-Corruption Commission of Seychelles (ACCS) enacted a law in 2020 that allows them to collect and confiscate the profits from crime and prosecute instances involving corruption and related money laundering more successfully (Basel Institute in Governance 2022). The Anti-Corruption Act of 2016 is modified by the new law to give the ACCS the authority to investigate and pursue conspiracy charges and attempted offences under the Penal Code. Without this change, the 2016-established ACCS could only prevent, investigate, identify, and punish serious crimes under the Penal Code, such as theft or corruption, and not plots or attempts to commit these crimes (Basel Institute in Governance, 2022). According to the Basel Institute in Governance (2022), this new law also permits the Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020 (AML Act, 2020) to pursue money laundering offences that happened before the present law's passage. Thus, the nation can simultaneously deal with past financial misconduct and corruption and those that will probably still happen.

Establishing the Public Officers' Ethics Commission in 2008 is a distinctive aspect of Seychelles' institutional structure against corruption (Koranteng 2020:1). This group is dedicated to raising public officers' awareness in government agencies and state-owned businesses. Its primary responsibility is to carry out and oversee public employees' yearly asset declarations, which include the president's (Koranteng 2020:1). Since no other nation in Africa has set up an institution of a comparable nature, this may account for some of the Seychelles' achievement in unseating Botswana as the least perceivably corrupt nation in Africa in the CPIs for 2018 to 2023 (Koranteng 2020:1). In recent years, South African authorities have not brought innovation to the country's corruption and financial misconduct policies, even though the nation's strategies and legislation have not unfolded as they should.

Conclusion

The study provided the history, justification, and problem statement about financial misconduct and corruption in South Africa. South Africa is ravaged by corruption and misconduct annually, and even government officials are said to have contributed to the collapse of the country's economy and lack of governmental growth/development. The study discussed some of the abhorrent statistics of corruption and misconduct affecting the nation, thus providing a reason for undertaking the study.

Corruption can negatively affect the economy. Corruption can impede economic growth and development by diverting monies intended for infrastructure, public services, and vital programmes into the pockets of dishonest officials or companies. It erodes fair competition, inhibits investment, and distorts markets. Other adverse effects regard political unpredictability. Corruption and financial misconduct damage democracy and erode public confidence in governmental institutions. Widespread corruption can cause people to lose trust in the government and the political system, resulting in political upheavals, demonstrations, or even regime upheavals. Inequality in society is another symptom of corruption. Infrastructure, healthcare, and education are among the essential services that decline, disproportionately impacting the most disadvantaged communities.

South Africa is one of the world's most prominent unjust places, where a small group owns most of the nation's wealth. Rampant corruption is one of the primary reasons for the imbalance not changing and the wealth not trickling down to the majority. Corruption is not a new phenomenon in South Africa; it has been ingrained in the nation's history. It is important to consider that there are different categories of corruption: petty, grand, judicial, political, corporate, and systemic. South Africa tends to exhibit all these types of corruption but at different scales. It is also imperative to understand that the reason corruption exists. These reasons could be greed, power, weak governance, lack of transparency, culture, and poverty. All these factors can be directly linked to the corruption in South Africa. These

categories and reasons will be explored in future publications in selected government departments. This study tried to compile information using PSC's statistics and reasons for corruption and financial misconduct in South Africa and discussed how these factors continually take more resources away from South Africa's public service and the large sums of public resources that have gone missing.

The study of state corruption is a sensitive matter in the public service. For this reason, there is a fair share of gatekeeping regarding the sensitive information that details it. Even though there is much literature and documents on corruption in general, there are only a few regarding South African corruption, specifically dealing with employees and public servants. The researcher mainly relied on internet sources and reports from reputable news outlets regarding South African misconduct cases. This aspect is considered as a limitation of study.

Note

This article is based on an unpublished MA Minor Dissertation titled Dhlamini, S. 2024- State of corruption causing financial misconduct in the South African Public Sector at UJ under the supervision of Prof S Vyas-Doorgapersad. Unpublished Minor Dissertation. Johannesburg: University of Johannesburg

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