



# Corruption in schools

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## *Lessons from solicited reports into corruption in schools*

This document presents an overview of the activities and methodology of Corruption Watch's on-going campaign into corruption in schools, the findings of the campaign so far, and recommendations directed at the provincial departments of basic education that can assist with the fight against corruption in schools.

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## INTRODUCTION

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Despite South Africa boasting a strong democratic framework that includes a universally admired Bill of Rights, an independent judiciary, a reasonably free and robust media, and the existence of powerful anti-corruption statutes, public perceptions are that levels of corruption are increasing. Corruption prejudices those who rely on public resources to access essential services, a frustration that is expressed in some of the service delivery protests which have become a regular feature in recent times. The widely shared view is that corruption cannot be combatted by the law enforcement authorities and by public policy alone. Public engagement, structured in a manner that is supportive to promoting good governance, is crucial.

Corruption Watch, a civil society organisation, was launched in January, 2012, in response to the beliefs that corruption is eroding the essential levels of public trust in elected representative and public/private sector leaders responsible for managing public resources and the use of public power.

The overall goal of Corruption Watch is to encourage public participation in combatting corruption. Technological tools are pivotal to achieving this goal. Corruption Watch offers a platform for reporting corruption on the internet and through mobile technology. Corruption Watch also uses these reports to develop the evidence necessary to advocate for policy reform. We also investigate and expose serious acts of corruption – at times leading to the suspension of government tender contracts.

Reports received to date highlight a significant and pervasive corruption in schools. Given the scaled effect this kind of corruption has on the future of South Africa,

Corruption Watch has selected schools as one of its focus areas for 2013 and beyond. We have built a campaign that mobilises people to take a stand against corruption in schools.

This document outlines the activities and methodology of the campaign. It then provides an overview of findings of the campaign and identifies what is viewed by those who report to Corruption and stakeholders we have engaged, as failure and enablers of corruption in schools.

The document concludes with a number of recommendations directed at the provincial departments of basic education, that we believe are in a position to assist with the fight against corruption in schools.

## **THE CAMPAIGN**

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### Why Corruption Watch decided to focus on schools

The education sector has faced many challenges and successes. The incorporation of parallel systems of education with varying degrees of resources has proved to be one of the biggest challenges faced by South Africa in the post-1994 context. The state has declared education to be an apex priority. Various organisations have identified it as key to the development of South African society and have worked tirelessly to improve the system.

This section outlines some of the broader challenges in schools and further informs why Corruption Watch has identified schools as a key site for intervention. In the first year of operations (2012), Corruption Watch received about 68 reports alleging corruption in schools across South Africa. These reports piqued our interest as they detailed various manifestations of perceived corruption in schools and interestingly

they mainly came from school teachers. It was the initial data in 2013, considered high, which prompted Corruption Watch to develop a campaign aimed at understanding ways in which corruption manifest in schools and what could be done by stakeholders involved in schools to collectively combat corruption within schools. As a result of the campaign, by the end of December 2013, the number had increased from 68 in 2012 to more than 600 reports, making schools appear as the top location for corruption.

The reports received indicated that schools were particularly vulnerable to financial mismanagement and corruption in the acquisition of goods and services. Preliminary engagements with relevant stakeholders revealed that these issues were often related to limited knowledge around the procedures for managing schools, particularly amongst parents and members of the governing bodies. This knowledge is vital in holding management structures accountable. These engagements, coupled with the reports received by Corruption Watch, resulted in the development of key objectives for the campaign.

### **The objectives and intended impact of the campaign**

Corruption Watch identified three objectives in relation to the schools campaign:

- To raise awareness on matters affecting policy and expose gaps in relation to the management of funds in schools.
- Support access to information and knowledge about the management of school funds.
- Raise awareness among the youth with the intention of shifting attitudes and encouraging them to resist corruption.

The schools campaign is foregrounded on the collected schools corruption data, investigation and research. Schools-related corruption reports provide rich detail for

the organisation to investigate some of the cases. The investigations illustrate real life examples of the ways in which corruption takes place within schools. The investigations are carefully selected to fall within the available resources of the organisation and the impact they will have in shifting attitudes towards promoting accountability within schools.

One such investigation exposed gross mismanagement of funds and possible fraud which implicated the principal and school governing body. The case was exposed and widely publicised in the newspapers and via our media platforms. The investigation was the first case that gave us insight, supported by evidence, into the manifestations of corruption in schools. Corruption Watch also undertook research which offered an in-depth analysis on the institutional framework governing schools, the legal framework, and the financial management and accountability mechanisms in place. The research was informed by interviews with officials in the public sector and civil society organisations focusing on schools.

### **The activities of the campaign**

The campaign consists of three clusters of activity:

- information mapping;
- production and dissemination of educational material;
- exposing corrupt activities in schools.

### **Information mapping**

Understanding the landscape within which schools operate is vitally important to combatting corruption in schools. Corruption Watch engaged in a number of activities aimed at gathering in-depth information about the challenges and issues that facilitate corruption within schools. A series of publications, adverts and radio spots on national and community radio stations disseminated information that Corruption Watch had already received from reports. Furthermore, the public was

encouraged to report corruption in schools to the organisation, in order to gain a comprehensive picture of the realities faced in the schooling system. Consultation with a variety of stakeholders<sup>1</sup> provided a contextual understanding of the environment and the manner in which corruption serves to erode educational attainment. These sources of information allowed the organisation to adequately assess the issues and identify crucial vulnerabilities in the system that facilitates corruption in schools.

### **Production and dissemination of educational material**

Limited knowledge about the legislative environment that governs schools is a key barrier to holding those in governing positions of schools accountable. Information gathered from stakeholders and reports received by the organisation were vital in identifying the need for material that guides parents and other interested parties. Corruption Watch released a series of materials that dealt with key challenges that are faced by schools today. These include information on the management of schools in general, school financing, and information on the rights of parents and educators in facilitating transparency and accountability<sup>2</sup>. Educational materials were also disseminated through a series of workshops and dialogues that aimed to include a wider audience. Dialogues were held with learners from a number of Gauteng schools and aimed to promote the importance of integrity and accountability. Interactions with school governing body members provided useful information to members on the functions of school governing bodies, including their roles and responsibilities. Information on the rights of school governing body members in demanding accountability and transparency in the management of the school proved very useful in workshops Corruption Watch participated in.

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<sup>1</sup> These stakeholders include government, parent bodies, unions, teacher and principal bodies, and other civil society organisations.

<sup>2</sup> An example of the public educational tools developed by Corruption Watch can be accessed electronically: <http://www.corruptionwatch.org.za/content/tools-fight-corruption-your-school>

## **Exposing corruption in schools**

Corruption Watch has endeavoured to expose corruption in schools by investigating a number of reports received by the organisation. An investigation into allegations of fraud and corruption at Thubelihle Primary School in White City, Soweto revealed how vulnerable financial management of schools is to corruption<sup>3</sup>. Findings from the forensic audit of the school's financial books conducted by an outsourced forensic company provided the organisation with a deeper understanding of the importance of financial transparency in schools. Corruption Watch's investigation of Thubelihle Primary school reflects the purpose of the schools campaign which is to create greater public awareness about corruption in schools and to encourage people to report the various forms of corruption taking place on school grounds.

## **FINDINGS**

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This section outlines some of the main findings around corruption in schools to date. It draws on reports received by the organisation, findings from investigations into some of the reports received, and information received from stakeholders on the types of corrupt activities and key challenges that face schools in South Africa.

### **Reports received by Corruption Watch**

Corruption Watch has received a large number of reports detailing corruption in schools all over South Africa. As at 31 December 2013<sup>4</sup>, we have received 661

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<sup>3</sup> Information on the investigation is available at [www.corruptionwatch.org.za](http://www.corruptionwatch.org.za)

<sup>4</sup> All data presented in this document are based on the time period 1 January 2012 to 31 December 2013.

reports on schools, 554 which allege corruption and fraud in schools, the remainder relate to administrative issues<sup>5</sup>.

Since the launch of the schools campaign in the latter part of 2013, we have seen a marked rise in reports pertaining to schools. Over 95% of reports detailed corruption in public schools that had been given additional functions as per Section 21 of the Schools Act (1996)<sup>6</sup>.

Where whistle-blowers have indicated their relationship to the schools they are reporting on, 36% identify themselves as teachers, followed by school governing body members (26%) and parents (24%).

In comparison to the data gathered via a Mxit survey<sup>7</sup> commissioned by Corruption Watch, reporting by parents seems to be relatively consistent. Unlike the Mxit survey which had a high number of respondents who were learners, only three of the whistle-blowers identified themselves as learners in reports received by Corruption Watch.

The geographic distribution of reports indicated a concentration of reports from the Free State and Eastern Cape, in relation to both general trends in reporting for Corruption Watch and population density<sup>8</sup>.

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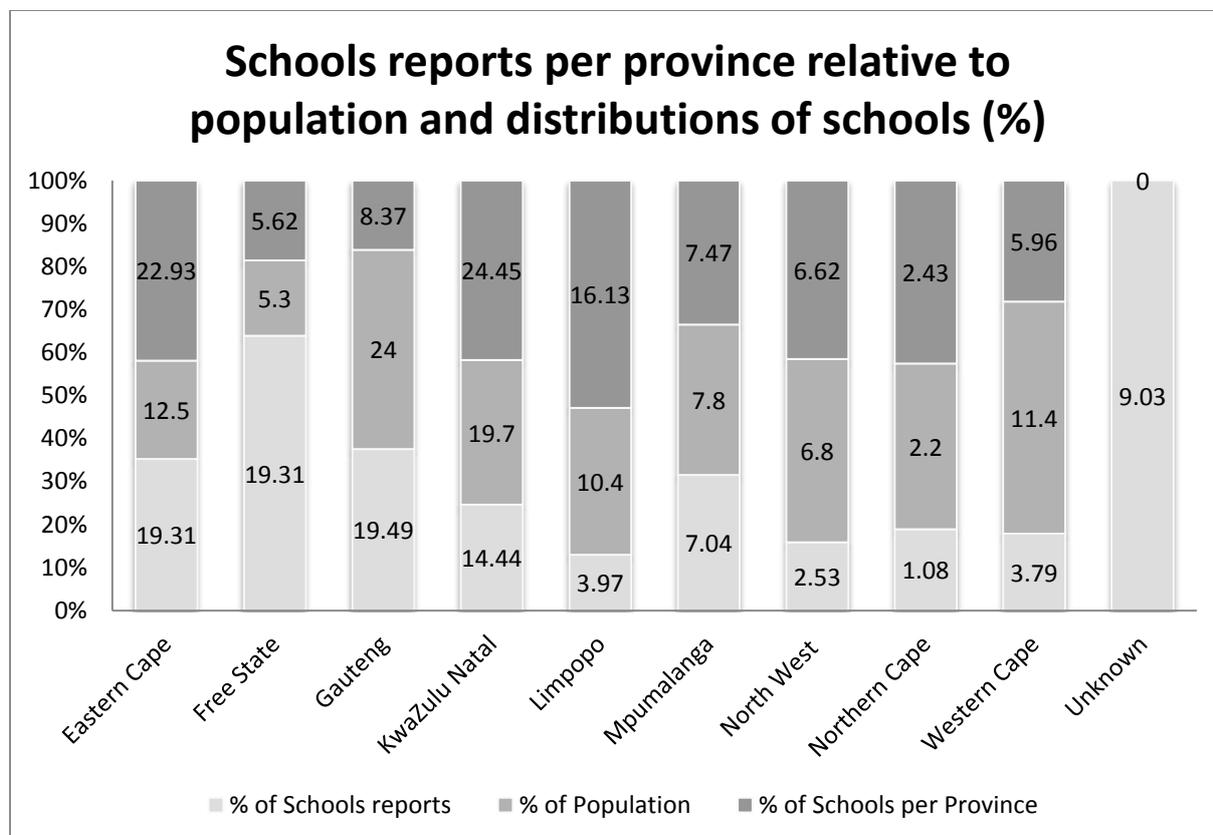
<sup>5</sup> Examples of administrative issues include non-payment of suppliers, staff that are working without contracts and alleged unfair dismissal of teachers.

<sup>6</sup> These functions include maintaining and improving the school's property, and buildings and grounds occupied by the school, including school hostels if applicable; determining the extramural curriculum of the school and the choice of subject options in terms of provincial curriculum policy; purchasing textbooks, educational materials or equipment for the school; paying for services to the school; providing an adult basic education and training class or centre.

<sup>7</sup> The survey was conducted through Mxit's research company, Pondering Panda and based its finding on a sample of 3 284. The survey is available at [www.corruptionwatch.org](http://www.corruptionwatch.org).

<sup>8</sup> General reporting trends for the Eastern Cape and Free State equal 9.29% and 9.86% (respectively) compared to reporting on corruption in schools which equal 18% and 19% respectively.

The graph below displays the geographic dispersion of reports received by Corruption Watch:



Schools reports from Gauteng are much lower than the general 38% of reports that emanate from this province. Relative to the distribution of the populations and schools within these provinces, report volumes from the Free State are disproportionate to schools and populations for the same region. Given the higher proportion of the population residing in Gauteng, the number of schools reports is relatively proportionate. When taken together with the number of schools in the province, it can be deemed quite high. However, this may be related to Corruption Watch’s communications efforts that centred on Gauteng and Free State provinces.

The inverse is true for KwaZulu-Natal where the high proportion of schools relative to the population and number of schools reports received is relatively low.

Furthermore, reports received suggest that corruption is more likely taking place in schools that are not located in metropolitan municipalities, but rather in local municipalities (62% of schools reports emanate from local municipalities across South Africa).

Reports received by Corruption Watch detail a number of corrupt activities that are taking place in schools. The three most often cited types of corruption or fraud that were reported across all provinces are financial mismanagement in schools (44%), theft of funds or goods (24%), and corruption related to tenders or the acquisition of goods and services (16%)<sup>9</sup>:

- Financial mismanagement, as detailed in the reports, involves a whole host of activities: misappropriation of funds, lack of adequate account of the use of finances, disregard for processes and a lack of financial reporting to both parents and other members of the SGB. In most reports, a combination of the above activities is detailed.
- The reports on the theft of funds and goods indicate that there are two key assets that are being exploited: food associated with nutritional programmes and bank accounts.
- Manipulation and flouting of regulations around the acquisition of goods and services is seen as a pressing matter for whistle-blowers. Details ranging from overinflated invoices to preferential suppliers and signing of blank cheques for goods that are never acquired are presented in the reports. The most

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<sup>9</sup> These results are similar to the findings of a survey done by Transparency International in 2011, in which it is suggested that the “highest corruption risk was embezzlement [...], in textbook procurement and school construction”.

commonly cited manner in which the tender process is corrupted is by the allocation of tenders to friends and family members of the principal, or SGB members in certain respects. The reports also generally pointed out to the non-transparent manner of the tender processes in schools, which makes it impossible for parents to monitor for accountability purposes.

The whistle-blowers most frequently implicate principals (63%) as the main perpetrators of these corrupt actions. However, in certain instances, members of the school governing body (27%) and other members of staff are said to be complicit in these acts. Similarly, both the Mxit survey respondents and the whistle-blowers who get in touch with us directly, indicate that principals are involved in corruption. The Mxit survey also suggests that matters of corruption are often reported to the principal.

Where teachers have reported these activities, they have indicated that principals are dictatorial and aggressive when questioned about the accounts, and have often intimidated those who have questioned their authority. However, reports that pertain to the theft of food from the nutritional programs and also point out that teachers are involved in food theft.

Whistle-blowers suggest that money, resources and other goods that are intended to improve the schooling environment in the most basic way are being used inappropriately, and for personal gain by those in positions of power. Those in office that are accountable for this misappropriation are not acting in a transparent manner or in the interests of the school.

Some of the whistle-blowers state that they had actively sought to engage the relevant department to report these allegations. However, most whistle-blowers that had lodged a complaint said they had not received feedback pertaining to their

query, either because an investigation was not launched, or where investigations had been conducted, they had not received feedback detailing the outcome of the investigation. This aligns with the general public who report various other issues to Corruption Watch. A recent survey commissioned by Corruption Watch<sup>10</sup>, found that 77% of those that had reported corruption to the organisation were not aware of official avenues for reporting corruption.

Some whistle-blowers also claim that even though a principal has been found guilty of misconduct or financial mismanagement, they are often not removed from their posts, or are simply moved to a similar post in another school in the district. This point is only referred to by a few, with far more whistle-blowers indicating that they receive no or little feedback from the department. Those whistle-blowers that have not had feedback remain disheartened and the lack of action taken by the department is seen as a sign of further corrupt relationships between officials and principals, or a lack of concern by the department.

### **Findings from Corruption Watch investigations**

We find it is often difficult to prove actual corruption in the cases reported. Corruption Watch does not have the capacity to invest in the forensic audit of all the cases it receives. However, in the one case where we were able to access the financial books of the school, we were shocked to discover that three audits done previously at the school had not identified the gross irregularities and fraud involved. This raised questions about those who are hired to audit schools.

We also found that a number of allegations into corruption were due to a breakdown of communication between the School Governing Body, Principal, and teachers. The lack of accountability to parents led to the impression that corruption was a factor.

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<sup>10</sup> This survey was commissioned to assist the organisation with internal monitoring and evaluation. The review obtained useful information about why people report to Corruption Watch.

## **Information received from stakeholders**

During the course of the campaign Corruption Watch engaged with a number of different stakeholders that are also working on the schooling environment. These engagements provided vital information into the vulnerabilities in the system that allows corruption to take place. On the whole, stakeholders concurred that the type of corruption and fraud presented in reports received by Corruption Watch are the most prevalent type of corruption in schools. However, stakeholders did provide valuable insight into the potential vulnerabilities in the education system that allow corruption to take place, and provided information on other types of corruption that are currently taking place, such as the existence of ghost teachers and buying of posts within schools.

## **Civil society organisations**

Corruption Watch engaged various civil society organisations that are working in the schooling environment. All of these organisations acknowledge the devastating effects that corruption has on the schooling system. They argue that although schools receive adequate funds to develop and enhance the schooling environment for learners, misappropriation of funds and corruption are a key barrier to delivering these goods. Civil society organisations point out that corruption has often resulted in basic equipment, learning material and facilities not being provided for learners. Where available, these facilities are often not maintained in a manner that respects the dignity of learners.

## **School governing body associations**

Engagements with school governing body associations revealed the challenges facing school governing bodies in managing and combatting corruption in schools. School governing body associations detailed a lack of practical understanding of the delineation of roles between school governing bodies and principals. Coupled with a

lack of adequate understanding of the legislation governing schools, they note that principals are often able to manipulate processes and procedures for personal gain.

Ill-equipped governing bodies are often unsure of how to manage their relationships with principals, and where training has been received, practical application of this training has proved difficult. The knowledge gap also extends to the appropriate channels to report their suspicions of corruption or other irregularities. Where governing bodies have reported corrupt activities to the department they find that their members are often victimised by perpetrators, who exclude them from future proceedings thereby effectively side-lining them.

### **Parents and learners**

As with school governing bodies, parents were largely uninformed as to the functions, roles and responsibilities in the management of schools. Of particular concern are the rights that parents have to compel governance structures to act in a manner that is transparent, and the means by which to hold those in office accountable. The lack of information extends to the difference between no fee schools, schools given Section 21 functions and those that do not. Parents also raise the issue of manipulation of results and the selling of exam papers. Although a small number of reports received by Corruption Watch detailed how teachers or principals are selling exam papers to students prior to the exams, parents indicate that this practice is far more widespread than our reports suggest.

Based on the public reports to Corruption Watch and discussions with stakeholders, the following gaps were highlighted:

- In terms of the Schools Act (1996)<sup>11</sup> the provincial departments of education are required to provide training to members of the school governing body to

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<sup>11</sup> Section 19 of the Schools Act stipulates that 'Out of funds appropriated for this purpose by the provincial legislature, the Head of Department must establish a programme to- (a) provide introductory training for newly elected governing bodies

ensure that these bodies are able to manage schools effectively. However, the experience of those who have reported to us and the stakeholders with whom we have engaged suggest that this training does not adequately equip parents with the practical skills necessary to hold SGBs accountable. In addition, it appears that it is also inadequate for SGBs to effectively oversee those, in particular school principals, charged with the daily management of school resources.

- Current reporting mechanisms for corruption in schools are deemed inadequate. Where these mechanisms are available, feedback and follow-up is not adequate and allowed various actors to continue unabated with corrupt practices.
- Lack of understanding of existing procurement policies and procedures that are applicable in schools. Monitoring by relevant authorities that should ensure that schools use funds accountably are deemed inadequate.

These three factors are seen as enablers for corrupt individuals to continue diverting funds from learners.

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to enable them to perform their functions; and (b) provide continuing training to governing bodies to promote the effective performance of their functions or to enable them to assume additional functions.

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## CONCLUSION

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Corruption Watch endeavours to contribute to the fight against corruption in South Africa. Our on-going schools campaign has given us growing insight into the schooling environment and the practical realities facing schools in combatting corruption and in ensuring that public resources are appropriately managed and accounted for.

Based on the findings above, Corruption Watch has made a number of recommendations that we believe would facilitate the fight against corruption in schools. We are eager to be an active partner of both the national and provincial departments of basic education and join forces in confronting this growing threat to the country's ability to deliver effective education to our school learners.

One of the contributions which Corruption Watch will make is the continued production and dissemination of information via its various media platforms. These platforms allow for the active, dynamic engagement of the public and all stakeholders, including the education authorities.

It is widely accepted – in South Africa and elsewhere – that corruption cannot be effectively tackled in the absence of an active and engaged public. Our principal objective is to encourage and facilitate active citizenship. We therefore follow with recommendations that we believe, if considered, can lead to a collaborative relationship between provincial education authorities and Corruption Watch.

## RECOMMENDATIONS

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1. Provinces drive a visible public education campaign, with easy to understand messaging, to assist principals and SGB members understand the delineation of their roles and responsibilities. At the same time, parents in general, need to be made aware of their rights and responsibilities in relation to those charged with governing and managing school resources.
2. Given the high incidence of procurement related corruption, it is seems essential that SGB members understand the key principles governing public sector procurement and that they be enabled to identify the irregularities and red flags that indicate possible corruption. Parents, in general, need to access this information. Most importantly, tenders at school levels should be made public and transparent to empower parents to monitor the invested public funds.
3. Based on our investigations and information received about unreliable auditing reports on school funds, CW recommends that the standards of vetting the auditing firms used by the Department of Education be improved and auditing professionals found to have undermined the system be exposed and prohibited from working with the departments in future.
4. Information on official channels for reporting corruption and resource mismanagement should be widely disseminated, not only among public

officials but to learners and parents as well. In addition, information should explicitly state where and with whom reports should be lodged.

5. It appears that the capacity of the education departments to investigate allegations of corruption and follow up with appropriate disciplinary action requires urgent strengthening. Corruption Watch is well aware of the difficulties of investigating claims of corruption and of the often unrealistic expectations of whistle-blowers. However, the education departments have considerable formal powers of investigation and discipline, and while these powers must, of course, be exercised within the parameters of the law, the credibility of reporting mechanisms require that reports are seen to be investigated and that, where appropriate, disciplinary action is taken and feedback be given to parents.

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