

# South Africa

## 2015 Country Summary

### Recommendations

South Africa's GI ranking in Band D places it in the high risk category for corruption in the defence and security sector. South Africa scored slightly higher for Political and Personnel Risks, which scored in Band C. The highest risk areas are Procurement (in Band D) and Operations in Band E (very high risk).

#### **Increase Independence of Anti-Corruption Investigations and Enforcement Bodies**

The Seriti Commission of Inquiry, set up to investigate allegations of fraud, corruption, impropriety or irregularity in the Strategic Defence Procurement Packages (SDPP), commonly referred to as the Arms Deal was initially viewed as a positive move. But the Commission has since been subject to allegations that it is biased and has undergone high-profile resignations of its staff members and participants - supported by 40 civil society organisations. The Commission's is expected to report in December 2015. How independent the Commission's findings prove to be and how conclusions are handled by President Jacob Zuma, himself implicated in the procurement scandal, will be an indicator of the strength of South Africa's approach to anti-corruption.

We recommend the government allow investigation and oversight agencies to pursue their important work impartially and with sufficient resources in order to maintain public trust in the integrity of the defence sector.

#### **Appropriate Whistle-Blower Protection**

In addition to the 1999 Arms Deal, public debate on defence is shaped by the proposed Protection of State Information Bill (Secrecy Bill). Currently individuals and entities can request information via a court order. There are concerns that ratification of the Secrecy Bill, will make it much more difficult to access information, reduce protection for whistle-blowers and heighten corruption risks. It has been argued that the bill may be unconstitutional and if ratified by President Zuma could face an appeal in the Constitutional Court.

Whistle-blowing is an effective mechanism to raise incidences of corruption or bribery to the relevant authorities and we recommend that whistle-blowing be actively encouraged by the government. We further recommend that the bill be referred for review in order to ensure that it includes clear provisions for who can request information, when it can be

classified, and with mechanisms to ensure that these legal requirements are upheld in practice, are subject to scrutiny and ensure the protection of whistle-blowers.

### **Classified Procurement Spending**

Defence procurement transparency and accountability is severely limited by secret budgets, such as the Special Defence Account (SDA). There are concerns that the SDA is being used for a significant amount of non-secret procurement in order to avoid legislative provisions, reporting and oversight.

We recommend South Africa clarify legal provisions regarding the use of the SDA and ensure mandatory provisions are in place for oversight of all secret expenditure by an internal and external audit function and an appropriate Parliamentary committee. The Government should provide committee members with extensive information on secret items, including detailed, line item descriptions of all expenditures. We further recommend that the Government makes clear what percentage of defence and security expenditure in the budget year is dedicated to spending on secret items. Itemised disclosure of the SDA will ensure the budget is spent on equipment that meets South Africa's strategic priorities and needs.

## Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	3
		Defence Committee	2
		Defence Policy Debated	3
		CSO Engagement	1
		International AC Instruments	3
		Public Debate	2
		AC Policy	2
		AC Institutions	2
		Public Trust	2
		Risk Assessments	1
	Defence budgets	Acquisition Planning	1
		Budget Transparency & Detail	2
		Budget Scrutiny	2
		Budget Publicly Available	2
		Defence Income	2
		Internal Audit	2
		External Audit	2
	Other Political Areas	Natural Resources	4
		Organised Crime Links	3
		Organised Crime Policing	2
Intelligence Services Oversight		3	
Intelligence Services Recruitment		0	
Export Controls		2	
Finance	Asset Disposals	Asset Disposal Controls	2
		Asset Disposal Scrutiny	2
	Secret Budgets	Percentage Secret Spending	1
		Legislative Access to Information	2
		Secret Program Auditing	1
		Off-budget Spending in Law	2
		Off-budget Spending in Practice	2
	Links to Business	Information Classification	1
		Mil. Owned Businesses Exist	4
		Mil. Owned Business Scrutiny	
Personnel	Leadership	Unauthorised Private Enterprise	2
		Public Commitment	1
		Measures for Corrupt Personnel	2
		Whistleblowing	2
	Payroll and Recruitment	Special Attention to Sensitive Personnel	1
		Numbers of Personnel Known	4
		Pay Rates Openly Published	3
		Well-established Payment System	3
		Objective Appointments	2
	Conscription	Objective Promotions	2
		Bribery to Avoid Compulsory Conscription	
	Salary Chain	Bribery for Preferred Postings	
		Ghost Soldiers	2

		Chains of Command and Payment	4
	<b>Values, Standards, Other</b>	Code of Conduct Coverage	2
		Code of Conduct Breaches Addressed	2
		AC Training	2
		Prosecution Outcomes Transparent	2
		Facilitation Payments	2
<b>Operations</b>	<b>Controls in the Field</b>	Military Doctrine	1
		Operational Training	1
		AC Monitoring	1
		Controls on Contracting	1
		Private Military Contractors	2
<b>Procurement</b>	<b>Government Policy</b>	Legislation	2
		Transparent Procurement Cycle	1
		Oversight Mechanisms	2
		Purchases Disclosed	2
		Standards Expected of Companies	1
	<b>Capability Gap</b>	Strategy Drives Requirements	2
		Requirements Quantified	3
	<b>Tendering</b>	Open Competition v. Single-Sourcing	2
		Tender Board Controls	3
		Anti-Collusion Controls	2
	<b>Contract Delivery / Support</b>	Procurement Staff Training	3
		Complaint Mechanisms for Firms	2
		Sanctions for Corruption	1
	<b>Offsets</b>	Due Diligence	1
		Transparency	1
		Competition Regulation	1
	<b>Other</b>	Controls of Agents	1
		Transparency of Financing Packages	1
		Subsidiaries / Sub-Contractors	1
Political Influence		2	