

# Enhancing corruption prevention institutions in South Africa

## Introduction

The World Bank has supported the Government of South Africa (GoSA) in responding to recommendations emanating from the State Capture Commission including various requests to support the strengthening of the country's anticorruption response. This has included training on financial disclosure and lifestyle audits, policy advice related to legal and regulatory reforms in public procurement, a data maturity assessment to identify fraud and corruption risks in procurement, technical assistance to support public sector professionalization including the regulation of accountancy professional bodies and the professionalization of public financial management functions, and law enforcement strengthening, mutual legal assistance on money laundering and asset recovery through the Stolen Asset Recovery Initiative (StAR).

At the request of the National Anti-Corruption Advisory Council, (NACAC) the World Bank has agreed to prepare a series of technical notes on strengthening South Africa's anticorruption framework including corruption prevention functions. This note accordingly provides input to the ongoing discussion on the future institutional architecture for corruption prevention in South Africa. The note does not attempt to cover all aspects of corruption prevention systems and focuses on the possible institutional solutions to address existing weaknesses. It complements a separate note on the proposed reforms to strengthen law enforcement capabilities to address corruption.

## Corruption prevention functions and institutional arrangements

Corruption prevention includes a broad range of functions aimed at reducing the occurrence of corruption with the overall goal of reducing reliance on reactive law enforcement measures. Corruption prevention includes functions commonly given to specialized anticorruption agencies as well as secondary preventative functions performed by a variety of supporting institutions. While some countries maintain dedicated corruption prevention agencies, many state institutions contribute to corruption prevention without it necessarily being an explicit function. This includes the work of supreme audit institutions, public procurement regulatory authorities, public ombudsman, tax administration authorities, financial sector regulators, etc.

Corruption prevention includes both deterrent and constructive anticorruption methods. Deterrent prevention is aimed at reducing incentives for individuals to engage in corrupt activity, in many cases with an emphasis on transparency or raising the risk of being caught engaging in improper conduct – for example, open procurement data, asset disclosure, auditing, and corruption risk management. Constructive prevention in turn, aims to promote anticorruption by addressing social attitudes and norms related to corruption to promote ethical behavior and change intrinsic motivations for engaging in corruption – for example, ethics training, collective action initiatives, public education on the effects of corruption, and strategies to change social norms around corruption.

**Corruption prevention functions.** The corruption prevention system can be described through three dimensions:

- **Policy:** Anti-corruption strategy and implementation plans, risk assessments and research to collect evidence for the policy development, public education and awareness raising to explain and promote anti-corruption policies.
- **Institutions:** Anti-corruption institutions and personnel to support and oversee policy implementation.
- **Measures:** Institutional level measures, cross-cutting public sector measures, and measures beyond the public sector that create an enabling environment for corruption prevention.



**Policy dimension includes the following elements:** 1) strategy and implementation plans; 2) anti-corruption legislation; 3) monitoring and evaluation of policy implementation; 4) research, surveys; 5) education and awareness raising; and 6) stakeholder engagement.

**The institutional dimension includes the following:** 1) anticorruption agency; 2) anticorruption focal points (integrity or ethics officers); 3) Supreme Audit Institution, Ombudsperson; 4) evaluation and disciplinary boards for judges and prosecutors; 5) ethics or rules of conduct committees for elected officials.

**Public-sector cross-cutting measures may include the following:** 1) codes of conduct or ethics for various categories of officials; 2) management of *ad hoc* conflict of interests; 3) conflict-of-interest-like situations (gifts, incompatibilities, post-employment, etc.); 4) asset and interest declarations, lifestyle monitoring; 5) corruption risk screening (proofing) of legislation; 6) integrity vetting (background checks); 7) the maintenance of a register of corruption offenders; 8) reporting, whistle-blower protection; and 9) public procurement monitoring and oversight.

**Measures on the institutional level may include the following:** 1) risk assessment and mapping; 2) anti-corruption programs or integrity plans; 3) counselling, guidance to public officials; 4) integrity and ethics training of public officials; 5) merit-based recruitment and promotion; 6) mainstreaming integrity in HR management; 7) random distribution of cases; 8) staff rotation; 9) integrity testing; and 10) internal control and audit.

Annex 1 provides additional details on corruption prevention policy, institutions and functions.

## Corruption Prevention Institutions

**The UN Convention against Corruption (Article 6) obliges states to ensure the existence of a body or bodies, as appropriate that prevent corruption,** including by implementing, overseeing and coordinating anti-corruption policies, as well as increasing and disseminating knowledge about the prevention of corruption. States should grant such bodies the necessary independence to carry out their duties effectively and free from any undue influence. They also should provide the necessary material resources and specialized staff, as well as the training that such staff may require to carry out their functions. The 2020 UNCAC Review of South Africa noted that South Africa has not complied with its obligation to notify the secretariat of its corruption prevention authority or authorities.<sup>1</sup>

<sup>1</sup> UNODC (2020), Country Review of South Africa, page 5, [www.unodc.org/documents/treaties/UNCAC/CountryVisitFinalReports/2020\\_12\\_23\\_Final\\_Country\\_Review\\_Report\\_of\\_South\\_Africa.pdf](https://www.unodc.org/documents/treaties/UNCAC/CountryVisitFinalReports/2020_12_23_Final_Country_Review_Report_of_South_Africa.pdf).

**Preventative functions can form part of a multi-purpose anticorruption agency, be concentrated in a dedicated corruption prevention agency, or be dispersed among a range of actors in a multi-agency framework.** The appropriate model for a country will vary by the national context, the nature and scale of corruption, and the specific institutional challenges that inhibit effective corruption control. Reform proposals should consequently consider the specific challenges to corruption control that need to be addressed. Common constraints can include political interference, coordination challenges, weak systems and processes, or an absence of specialized expertise in anticorruption.

**Globally, there is no uniform model for a specialized anti-corruption body.** The mandate of the anti-corruption authority (ACA) may cover all or some of the following groups of functions: 1) policy development and coordination; 2) public education and awareness-raising; 3) enforcement of anti-corruption restrictions and requirements (asset declarations, conflict of interests, gifts, lobbying, party and electoral financing, etc.); 4) protection of whistle-blowers; 5) detection, criminal investigation, and/or prosecution of corruption offences. Countries may set up one body with a mixed mandate covering these functions or several bodies targeting all or some of them. The 2020 OECD Report on Anti-Corruption Reforms in Eastern Europe and Central Asia differentiates the following three models of specialized ACAs:<sup>2</sup>

1. The first model combines prevention and policy coordination functions with criminal enforcement functions in one institution – the **multi-purpose (mixed-mandate) anti-corruption agencies**. Many of them were inspired by the Hong Kong Independent Commission against Corruption and the Singapore Corrupt Practices Investigation Bureau. Examples from Africa include:

- Botswana (Directorate on Corruption and Economic Crime)
- Kenya (Ethics and Anti-Corruption Commission)
- Zambia (Anti-Corruption Commission)
- Zimbabwe (Anti-Corruption Commission)

2. The second model of specialized institutions is **specialized criminal law enforcement agencies**, which investigate and/or prosecute corruption offences. *This Note does not cover agencies that only deal with criminal law enforcement.*

3. The third and broadest model includes preventive institutions: preventive and coordinating functions are combined in one body or entrusted to different bodies. Such institutions broadly fall into three main categories:

- a. **Policy coordination councils** (commissions, committees), which combine representatives of various state institutions concerned with anti-corruption; they are not permanent,

## Dedicated Anti-Corruption Agency

Preventive and Mixed Mandate (Prevention and Criminal Law Enforcement)

### INTEGRITY AND PREVENTION BODIES

#### Examples:

Albania  
Armenia  
Bulgaria  
Cameroon  
France  
Italy  
Montenegro  
Romania  
Serbia  
Slovenia  
Uganda  
Ukraine

### MIXED MANDATE BODIES

#### Examples:

Botswana  
Gabon  
Kenya  
Latvia  
Lithuania  
Moldova  
Mongolia  
Namibia  
Nigeria  
Tanzania  
Zambia

<sup>2</sup> OECD (2020), Anti-Corruption Reforms in Eastern Europe and Central Asia, Progress and Challenges, 2016-2019, pages 40-56, [www.oecd.org/content/dam/oecd/en/networks/acn/documents-\(pdfs\)/progress-challenges-2016-19-ENG.pdf](http://www.oecd.org/content/dam/oecd/en/networks/acn/documents-(pdfs)/progress-challenges-2016-19-ENG.pdf).

operate through meetings, and are supported by a dedicated secretariat. These can be high-level or working-level bodies. They also often include representatives of the non-governmental sector (NGOs, academia, business, experts, development partners, etc.). They usually lead the anti-corruption reform efforts in the country and are responsible for developing, implementing and monitoring the anti-corruption policy documents. For example, the National Integrity Committee in Malawi.

b. **Dedicated bodies for policy coordination and corruption prevention.** Such authorities have a broader mandate and often combine various prevention functions with policy development and coordination, as well as providing organizational and analytical support to the anti-corruption coordination councils. Examples:

- Armenia (Corruption Prevention Commission),
- Bosnia and Herzegovina (Agency for the Prevention of Corruption and Coordination of the Fight against Corruption),
- Bulgaria (Commission for Anti-Corruption and Illegal Assets Forfeiture),
- Georgia (Anti-Corruption Bureau),
- France (Anti-Corruption Agency),
- Montenegro (Agency for Prevention of Corruption),
- Serbia (Anti-Corruption Agency),
- Slovenia (Commission for the Prevention of Corruption),
- Ukraine (National Agency for Corruption Prevention).

c. **Dedicated bodies for one or several specific corruption prevention issues**, like conflict of interests and asset declarations. Examples:

- Albania (High Inspectorate of Declarations and Audit of Assets and Conflict of Interests),
- Croatia (Commission for Prevention of Conflict of Interest in Performing Public Duties),
- Italy (National Anti-Corruption Authority),
- Lithuania (Chief Official Ethics Commission),
- Moldova (National Integrity Authority),
- Romania (National Integrity Agency),

## Prevention Functions Performed by Specialized Corruption Prevention Bodies

The specialized corruption prevention body with a broad mandate covering policy coordination and various prevention instruments can include the following functions:

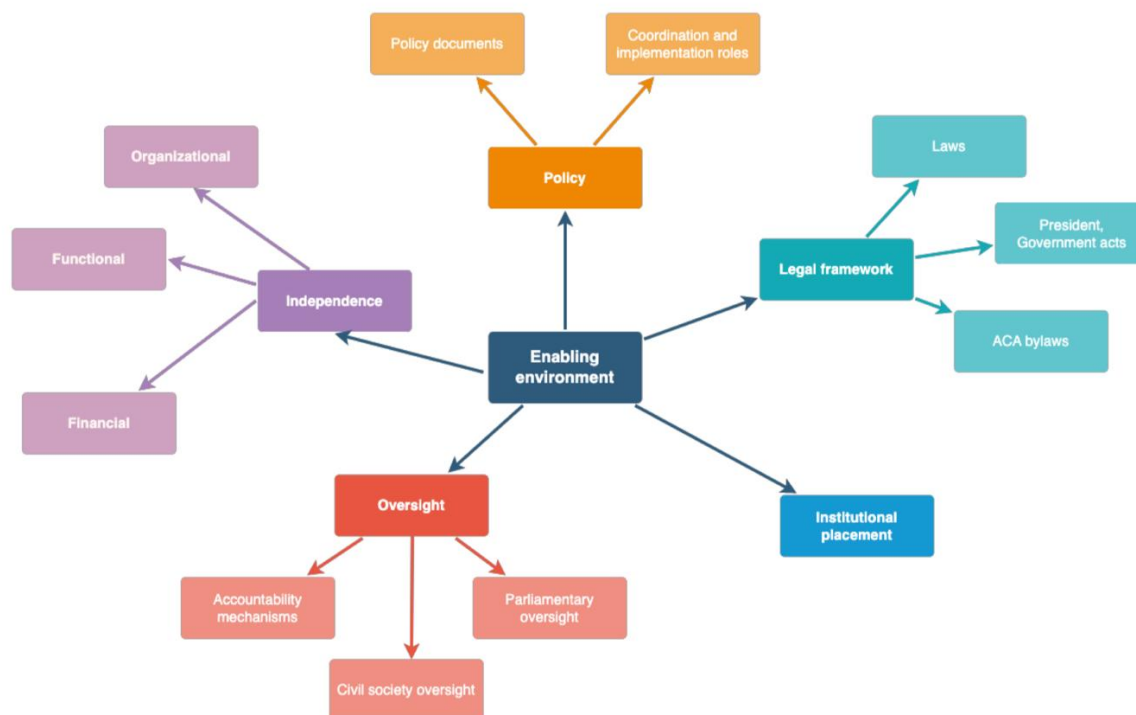
### Box 1. Functions of a specialized corruption prevention body

Anti-corruption policy	Risk assessment of systemic issues (national, sectoral, functional) and corruption proofing
<ul style="list-style-type: none"> <li>• Anti-corruption policy formulation</li> <li>• Developing implementation plans</li> <li>• Monitoring policy implementation</li> <li>• Evaluating the effectiveness and impact of AC policies</li> <li>• Conducting diagnostics and research</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying most vulnerable areas</li> <li>• Detecting and analyzing root causes of corruption, recommending corrective actions</li> <li>• Quality assurance of institutional risk assessments</li> <li>• Corruption proofing (analysis) of legislation and draft acts</li> </ul>

Public education and engagement	Enforcement of corruption preventive measures
<ul style="list-style-type: none"> <li>• Developing institutional integrity and ethics management, supporting network of integrity (ethics) officers in public authorities and SOEs</li> <li>• Promoting private sector integrity (e.g. developing a model for corporate anti-corruption compliance programs or adequate procedures to prevent corruption)</li> <li>• Disseminating knowledge and public education</li> <li>• Promoting international cooperation and coordination</li> <li>• Stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Financial disclosure for all branches</li> <li>• Unjustified wealth/lifestyle audits, civil forfeiture</li> <li>• Anti-corruption restrictions and requirements: <ul style="list-style-type: none"> <li>- Ad hoc conflict of interest</li> <li>- Gifts</li> <li>- Incompatibilities (e.g. other remunerative work)</li> <li>- Post-employment</li> <li>- Divestment of business interests</li> <li>- Other restrictions (e.g. joint work of relatives, cash holdings, foreign assets)</li> </ul> </li> <li>• Whistleblower protection, Whistleblower portal</li> <li>• Public procurement monitoring</li> <li>• Lobbying regulations</li> <li>• Political party financing control</li> <li>• Integrity vetting of public office candidates</li> <li>• Register of corruption offenders</li> </ul>

When deciding on the mandate and placement of the anti-corruption prevention authority, the following elements of the enabling environment for effective operation should be considered:

Figure 1. Enabling environment for the corruption prevention body



Source: Adapted from World Bank (2023), Institutional Assessment of the Anti-Corruption Agency of the Republic of Uzbekistan.

## Observations on the situation in South Africa

**A complex corruption prevention architecture has contributed to South Africa's challenges with corruption and state capture.** Despite several mechanisms for fostering integrity and ethics in the public administration, the existing instruments have significant gaps, are poorly enforced, and therefore have limited impact. Shortcomings in corruption prevention extend to anticorruption policy development, risk assessment systems for tackling systemic corruption issues, conflict of interest management, financial disclosure, lifestyle audits and unjustified wealth recovery. Gaps in the regulatory framework extend to financial disclosure, conflict of interest management in different parts of the public administration, post-employment restrictions, divesting of business interests, whistleblower protection, enforcement of restrictions, sanctioning, and tracking corruption offenders, among others.

Among the key issues identified:

- **Dispersal of mandate.** South Africa's decentralized approach to corruption prevention and addressing corruption vulnerabilities exhibits limited effectiveness. The public service, the executive, the parliament, the judiciary and other parts of the government each have their own institutions and procedures of various scope and robustness for preventing corruption. An approach focusing on formal compliance and building integrity systems based on individual departments monitoring themselves and decentralized follow-up, is ineffective. This level of decentralization limits the ability to oversee implementation of integrity rules more effectively when sanctions and follow-up are delegated to line ministries or other employing entities, leading to inconsistencies in the application of rules. In many cases, this has led to a lack of action on findings of misconduct – the latest Auditor-General's report for local government, for instance, found that 53 percent of audited municipalities did not comply with legislation on consequence management.
- **An incoherent and inconsistent legal framework.** The absence of uniform integrity standards that apply to all branches of government undermines corruption prevention tools. No single corruption prevention law or several targeted laws apply to all public institutions, setting uniform standards and enforcement rules. The anticorruption rules are scattered in different legal acts, with important provisions often regulated on the level of secondary legislation. Various institutions establish rules for specific cohorts of employees and self-police them.
- **Institutional fragmentation.** The country lacks a robust central authority overseeing and leading a range of corruption prevention functions, including policy development, public education and engagement, risk assessment, and enforcement of anti-corruption restrictions and requirements. Corruption prevention functions are dispersed among a range of actors and in several cases the same function is shared between multiple actors.
- **Weak sanctions for transgression.** The system is not designed to ensure enforcement through dissuasive sanctions. The delegation of follow-up to line ministries leads to inconsistencies in applying consequence management based on the individual discretion of Heads of Departments or others. Effective sanctions are rarely used in practice, even at the disciplinary level.
- **Role clarity within line ministries.** Ethics officers cannot meaningfully control compliance with anti-corruption rules, as they lack the capacity and power to follow up on misconduct allegations and have no internal autonomy within their institutions. Their role presents an inherent conflict of combining the advisory and control (compliance) roles.



- **Using corruption risk assessments to address vulnerabilities.** Quasi-criminal investigative measures are used to address systemic corruption vulnerabilities instead of employing analytical risk assessment and removing corruption causes. A reliance on quasi-criminal investigations represents a reactive approach to corruption vulnerabilities rather than systemically conducting corruption risk assessments at scale to identify and address vulnerabilities pre-emptively.

**Key gaps and weakness in South Africa's corruption prevention framework and options for reform are laid out below.** The note does not cover every corruption prevention function performed in South Africa and instead considers the most crucial prevention functions commonly performed by specialized anticorruption agencies. This includes financial disclosure, conflict of interest management, and the preparation of corruption risk assessments.

## Financial disclosure

**The judiciary, elected officials, and the public administration all have distinct financial disclosure provisions.** Within the Public Service, implementation and verification are further fragmented across the national and provincial departments. The DPSA sets standards and provides guidance and oversight for the Framework. At the same time, the Public Service Commission plays a key role in verifying and overseeing disclosures for members of the Senior Management Service (SMS) while individual line departments verify and oversee disclosures for designated employees below the SMS. The National Prosecuting Authority, and the South African Police Service have issued instructions adopting DPSA's financial disclosure standards for employees appointed outside of the Public Service Act, but each run their own disclosure programs. Local government in turn, operates under a separate disclosure framework for public and elected officials with limited oversight and weak compliance with legal provisions. In effect, there are many different financial disclosure systems operating in South Africa with varying implementation quality and effectiveness.

**Chapter 2 of the Public Service Regulations, 2016, regulates public service employees' financial disclosure.** Designated employees in the Public Service use the eDisclosure system to disclose their financial interests. The system maintains a database of financial disclosures known as the Register of Designated Employees' Interests. The system is also used by Heads of Department, Executive Authorities, the DPSA, Ethics Officers, and the Public Service Commission to monitor compliance and manage conflict of interest situations that could be identified through disclosure of financial interests. In June 2021, the Minister for Public Service and Administration issued a Directive on other categories of employees designated to disclose their financial interests.

The system has the following key gaps:

- South Africa's Financial Disclosure (FD) Framework is complex and cumbersome. There is no unified FD Framework ensuring coherence and effective enforcement beyond compliance monitoring. The framework is fragmented, with different parts of the public administration enforcing their own disclosure requirements of various scopes and robustness.
- Several bottlenecks reduce the Framework's effectiveness, including different submission methods (electronic vs. paper), several disclosure forms with varying scopes, and over-reliance on internal controls.
- The Framework focuses on formal compliance and is built on trust where departments monitor themselves and follow-up is decentralized. This level of decentralization limits the ability to oversee the FD regime more effectively when sanctions and follow-up are delegated to line ministries.

- The follow-up to the disclosure form checks is ineffective as it relies on internal controls. The system is not designed to ensure enforcement through dissuasive sanctions. The delegation of follow-up to line ministries allows for potential inconsistencies in applying consequence management based on the individual discretion of Heads of Departments. The fact that there are limited sanctions for noncompliance with the Financial Disclosure Framework does not help the situation.
- The disclosure form has substantial gaps that weaken oversight and the system's impact, prevent meaningful data analytics and do not support unjustified wealth control.
- There are limited checks, and a full-fledged in-depth verification of disclosure forms is not conducted because of insufficient information in the form, few data sources to cross-check, and limited powers to verify.
- Reliance on manual verification is cumbersome and limits the system's effectiveness in enforcing FD regulations and verifying disclosures.
- While ethics officers have been trained to implement the system, they cannot meaningfully control financial disclosures, which is expected of specialized staff. Their role regarding FD presents an inherent conflict of combining the advisory and control (compliance) roles.

## Conflict of interest management

**Mechanisms and responsibilities for conflict-of-interest management are dispersed by a bifurcated employment framework** which differentiates between officials appointed at the national and provincial level in terms of the Public Service Act, and those employed at the local government level under the Municipal Structures Act. Responsibilities for regulating and overseeing public sector employment at the national and provincial level are vested in DPSA and PSC while local government is overseen by the Department of Cooperative Governance (DCoG). Codes of conduct and integrity management initiatives are accordingly issued by the respective entities in this bifurcated framework. The Public Administration Management Act adopted in 2014 and enacted in 2019 sought to harmonize employment conditions across the two levels, but many of the provisions of the Act dealing with local government related to integrity management have not been brought into effect.

**The Act established the Public Administration Ethics, Integrity and Disciplinary Technical Unit (PAEIDTAU) within DPSA with the mandate to provide technical assistance and support to institutions in all spheres of government regarding the management of ethics, integrity and disciplinary matters relating to misconduct in public administration.** In this regard, PAEIDTAU plays a key role in policy development on issues relating to integrity including conflict-of-interest management, but regulations covering the public service are still issued by DPSA. In turn, the PSC provides oversight of the implementation of conflict-of-interest management primarily from a compliance perspective and providing advice to line ministries on managing conflicts with the expectation that line ministries retain responsibility for preventing conflicts. Under the local government framework, DCoG sets the policy framework but municipalities are charged with implementation. In terms of the code of conduct established by the Municipal Systems Act (2000), staff in key local government positions are required to submit declarations of conflicts-of-interest to the Municipal Manager with conflicts including a wide-ranging scope including share ownership in any companies, directorships, consultancies, financial interests in any business undertaking and family members engaging in business. Public sector officials appointed under separate legal frameworks including the police, military, judiciary, and elected officials are governed by frameworks distinct to their sector.

**Again, oversight and implementation of the conflict-of-interest framework is complicated by varying rules for different entities both across levels of government as well as across departments and entities**



**at the national level.** A reliance on line departments to manage and monitor conflicts of interest with limited overall oversight again presents challenges with the uneven application of rules. Weaknesses in the financial disclosure framework, including limitations in the scope of declarations and inadequate verification can likewise undermine the detection of conflicts of interest.

## Corruption Risk Assessments

**Corruption risk assessments are a widely used tool for identifying weaknesses that present opportunities for corruption or integrity breaches.** Corruption risk management is part of public institutions' internal control and integrity systems. Specialized anticorruption authorities can use the risk assessment methodology to review corruption-prone units, procedures or functions and suggest targeted measures to mitigate corruption risks and remove corruption root causes or facilitators. See the example of Lithuania in Box 2 in the Annex.

**In South Africa, corruption and fraud management is an integral part of strategic management in support of the Public Service Regulations.** The Public Finance Management Act stipulates that the Accounting Officer is responsible for ensuring that the Department has and maintains effective, efficient and transparent systems of financial and risk management and internal controls. Treasury Regulations require that risk assessments are conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, to be developed and implemented by all departments. The 2020–2030 National Anti-Corruption Strategy stipulates that sectors that are considered vulnerable or at high risk of corrupt activities must be constantly identified and additional anti-corruption and risk management measures should be implemented to protect these sectors.

**However, the corruption risk assessments are not routinely and consistently applied by all public institutions.** There is no uniform methodology and quality oversight. The focus is often on fraud prevention, which is a distinct threat from public sector corruption. Institutional capacity to implement corruption risk assessments is weak and limited by budgetary and personnel constraints. In many cases, this will also require specialized skills which are not commonly available in line departments.

### Box 1. Tackling systemic corruption

One of the key components of the new anti-corruption set-up discussed by the South African stakeholders is addressing systemic corruption through proactive investigation with coercive means. Based on the approach employed by the Special Investigating Unit, the proposal of the new Office of Public Integrity (OPI) includes its role in tackling “systemic corruption.” The latter is defined as a form of corruption that does not always involve individual criminal acts and is not necessarily punishable through criminal law; it enables corrupt actions and is usually unethical, but not always criminal. The OPI would tackle systemic corruption through investigations, powers of search and seizure, and preparation of criminal dockets.

Allocating conventional criminal law enforcement powers including the preparation of criminal dockets to the central authority responsible for prevention functions should be approached with caution by the Government. Assigning the corruption prevention authority with quasi-criminal investigative powers (including investigating systemic corruption) may raise constitutional questions about using coercive powers outside the criminal proceedings, blur the separation of responsibility with the criminal justice system institutions, and mix conflicting roles in one institution.

While the corruption prevention authority ideally should have strong administrative powers to enforce anticorruption requirements in individual cases (for example, to uncover false information in financial disclosures or address conflict of interest violations), systemic vulnerabilities facilitating large-scale or pervasive corruption schemes are better addressed through analytical risk assessment methods targeting corruption's root causes. In parallel, however, the criminal justice bodies should tackle specific corruption offences through criminal investigation and prosecution as administrative investigations with coercive powers cannot replace the criminal justice response to criminal networks and organized corruption syndicates.

## Recommendations for South Africa

**Preliminary recommendations for reform are outlined below** based on initial consultations with key stakeholders in South Africa's anticorruption institutional architecture and a review of the legislative and regulatory framework related to corruption prevention.

### Strengthening the Institutional Framework

1. **The GoSA should establish a permanent anticorruption policy coordination mechanism** involving public authorities and non-governmental stakeholders. This should be supported by appropriate mechanisms for monitoring and evaluating the effectiveness of anticorruption measures along with specialized expertise in preparing and evaluating anticorruption policy across sectors. Organizational support functions of the coordination body can be assigned to the new corruption prevention authority with a dedicated secretariat.
2. **Establish a robust central authority overseeing and leading various corruption prevention functions**, including policy development, public education and engagement, risk assessment, and enforcement of anticorruption restrictions and requirements. To ensure the central authority's sustainability and avoid diluting its mandate, it should focus on these functions and not engage directly in criminal proceedings. The primary law should set the new authority's mandate and scope of powers.
3. **Include the following functions of the enforcement of anticorruption restrictions and requirements:**
  - a. Collecting financial disclosure forms of all public officials in all branches of government through a central electronic platform; verifying asset and interest declarations based on a risk assessment methodology, including automated risk indicators; publication of information from asset declarations.
  - b. Conducting lifestyle audits and filing civil lawsuits to forfeit unjustified assets acquired by officials (directly or through proxies).
  - c. Conflict of interest management for political officials and members of the collegiate public authorities, as well as other officials with no direct superiors.
  - d. Oversight over compliance with requirements on reporting and resolution of conflict of interest, restrictions on gifts, incompatible work and positions, divestment of business interests, self-dealing (doing business with the state), post-employment, and other regulations.

- e. Providing guidance and protection to whistle-blowers (including in courts and administrative authorities), and administration of a whistle-blower portal.
  - f. Approving lobbying regulations and running a register of lobbyist contacts.
  - g. Running register of persons sanctioned for corruption or corruption-related offences.
  - h. Monitoring public procurement and public investment by using electronic detection tools.
4. **Ensure that the new agency has necessary independence safeguards**, including financial, operational, and institutional independence, as outlined in the *Glenister* decisions of the Constitutional Court of South Africa.
  5. **Provide for a transparent and competitive merit-based selection** (preferably involving independent experts) of the corruption prevention agency's leadership to ensure that candidates are not politically affiliated, have necessary integrity, and are capable of leading the institution.
  6. **The new authority should be granted its own employment framework outside of the Public Service Act**, similar to independent agencies including the South African Revenue Service and Financial Intelligence Centre, to ensure that the agency can attract scarce and specialized skills.
  7. **Ensure regular external assessment of the institutional capacities and performance** of the corruption prevention agency based on clear performance indicators.
  8. **Ensure the agency's transparency and accountability** by publishing its institutional strategy and implementation plans, corruption risk assessment and mitigation measures, annual performance reports, external assessment reports, information on procurement and staff remuneration, financial control and audit, and other information.
  9. **Grant the new authority with sufficient powers to obtain information and documents** (including confidential and restricted information) from administrative bodies and private individuals and entities, access government-held databases and data of financial institutions, access foreign sources of information, conduct or commission asset valuations, sanction non-compliance, and apply for civil forfeiture of unjustified assets.

## Strengthening Prevention Measures

10. **To address the low effectiveness of the lifestyle audit mechanism**, the GoSA can consider introducing a civil forfeiture of unjustified wealth outside of criminal proceedings based on the verification of financial disclosure forms of public officials. Such forfeiture should not be linked to criminal proceedings and should not require any prior allegation or confirmed suspicion of a predicate criminal offence. The discrepancy between income from lawful sources and acquired (directly or through proxies) assets should be sufficient to establish the rebuttable presumption of unjustified assets on the balance of probabilities.
11. **The future anticorruption agency in South Africa could have the following role in corruption risk assessments:**
  - a) Provide methodological guidance (procedures, templates, guidance, etc.) and ad hoc consultations to public organizations to develop institutional risk management frameworks.
  - b) Review the corruption risk assessment reports and mitigation measures developed in individual organizations for quality assurance. To make it feasible, the anticorruption agency

could conduct spot checks by randomly selecting organizations or preparing an annual plan of inspections focusing on high-risk sectors or institutions.

- c) Conduct corruption risk assessment at the national, sectoral and/or functional (procedural) levels. Such assessments would provide evidence for the anticorruption policy development and support corruption risk management at the institutional level. The sectoral/functional assessments should determine typologies of corruption risks, which would help institutions operating in the sector conduct their assessments at the individual organizations' level. The anticorruption agency should have sufficient powers to conduct an external risk assessment, for example, by obtaining information from the public authorities and other entities, conducting confidential interviews, surveying organizations and individuals, and commissioning expert opinions.
- d) Based on the analysis, the agency should issue directions to the relevant authorities to address the detected corruption causes. The risk assessment reports should be public. The authorities that received directions to address corruption causes should publicly report on their implementation.

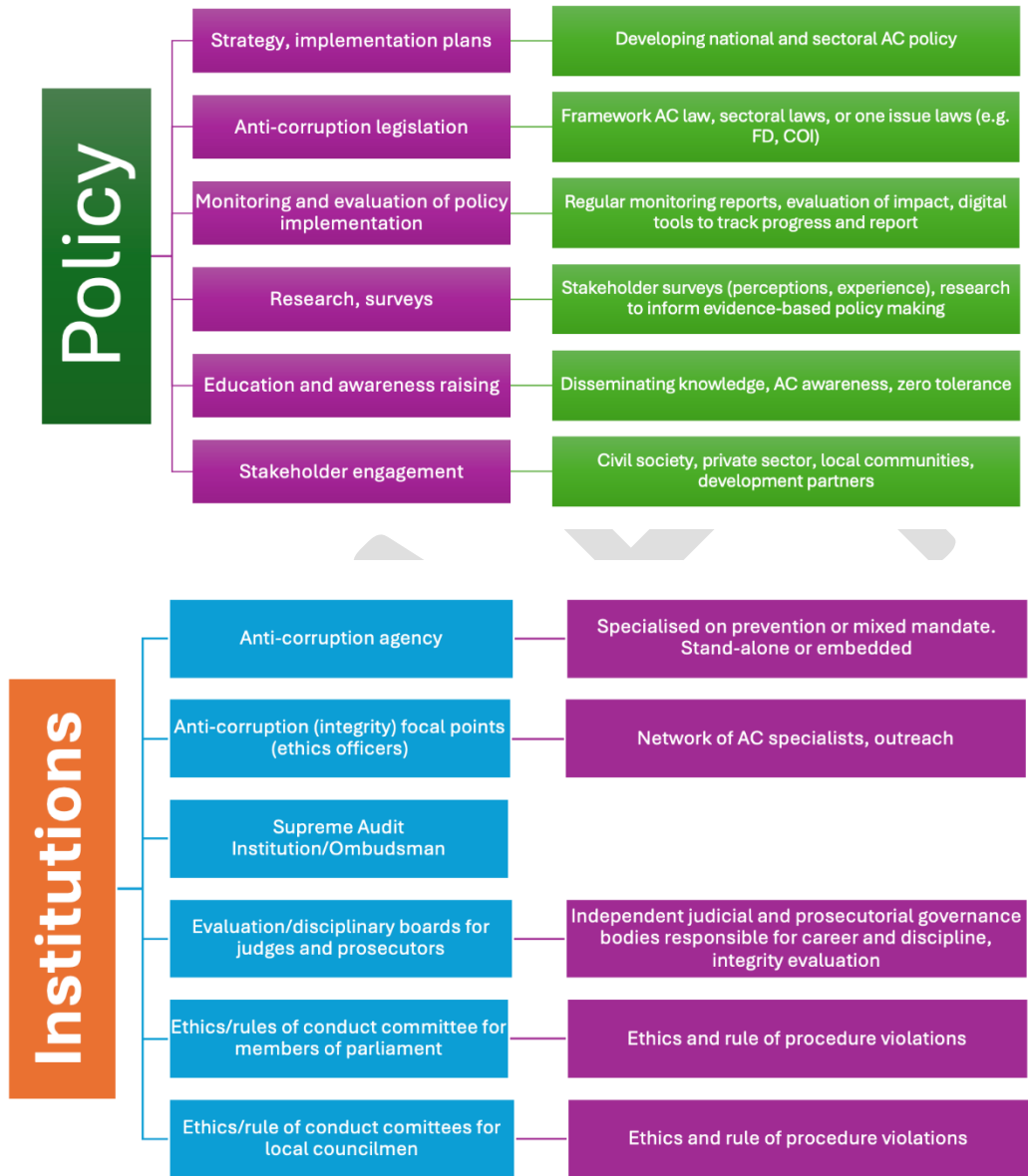
## Digitization and Data as Cross-cutting Priorities

12. **Corruption risk management should use digital tools to facilitate information collection and processing, ensuring accountability and transparency.** The IT platform for corruption risk management should allow each public institution to create its risk map by entering relevant data during the corruption risk assessment process and implementing mitigation measures. The platform should include necessary templates and facilitate the operation of the corruption risk assessment working group and other personnel involved (for example, ethics officers). It should also include questionnaires for the universal functions used during the risk identification stage and other assessment process steps. The platform should be collaborative, meaning that the institution should engage and obtain stakeholder feedback, invite public submissions during the risk identification, risk analysis, and other assessment stages, and publish the risk assessment results. The platform should also keep track of and visualize (through a dashboard) the real-time implementation of risk control (mitigation) measures. The central anticorruption agency can use the platform to control the risk management process in individual institutions, collect statistics, review and ensure the quality of risk assessment and mitigation measures, rank institutions by the level of compliance and quality of their corruption risk management, and provide guidance and consultations to individual institutions. The central agency can also use the platform for its external risk assessment at the national, sectoral, or functional levels.
13. **Use digital tools to develop and implement anti-corruption tools and policies, including:**
  - a. Platform for developing anticorruption policy measures and tracking their implementation.
  - b. Collaborative platform for corruption risk assessment.
  - c. Whistleblower portal for collecting and processing internal and external whistleblower reports, including anonymously, providing consultations and ensuring confidentiality of reports.
  - d. A uniform financial disclosure system used to collect and verify disclosure forms of all declarants, automate compliance checks and risk assessment, and publish information from the disclosure forms, including in machine-readable format.

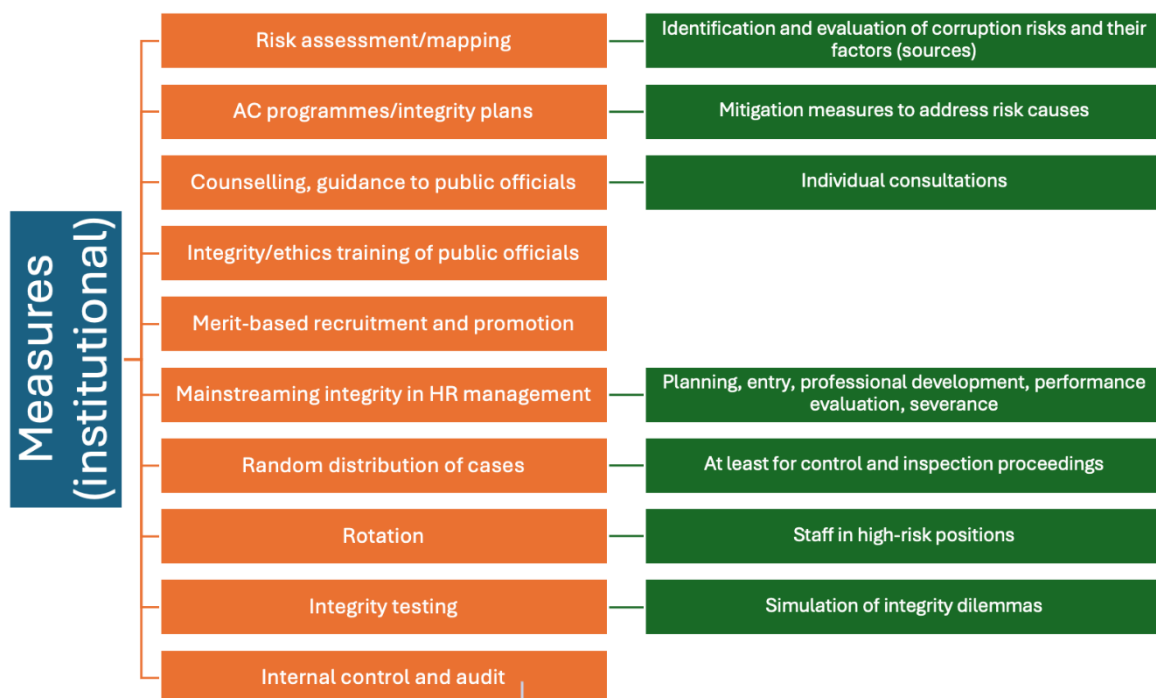
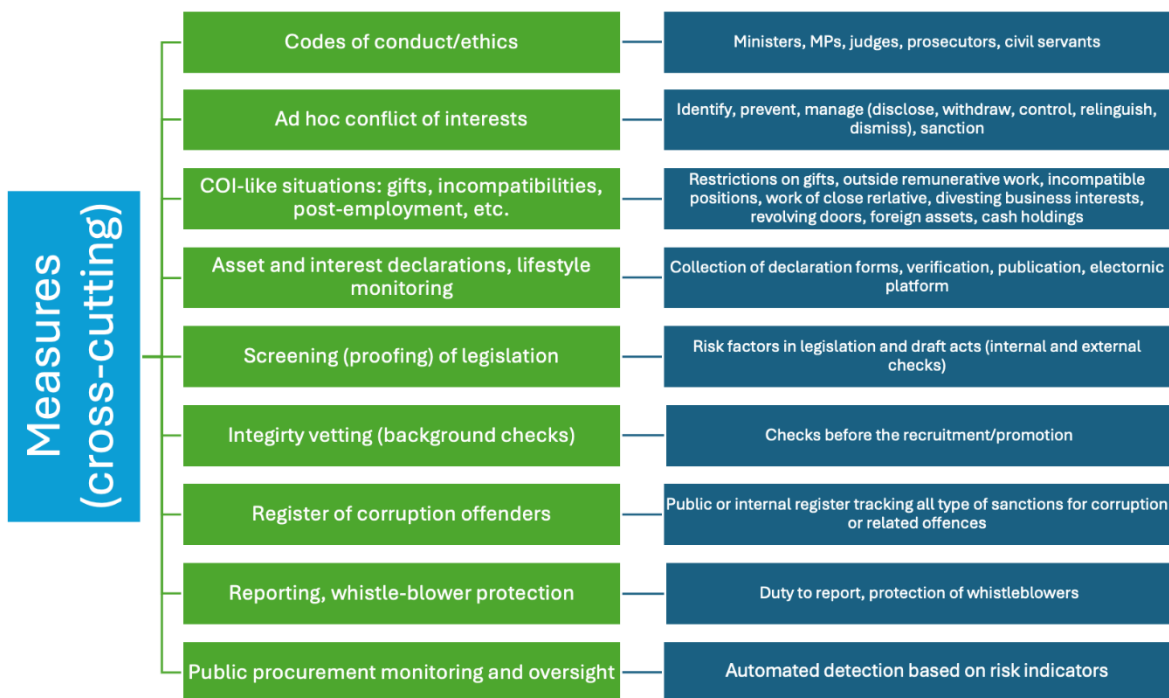
- e. Media monitoring tools to detect unjustified assets and conflicts of interest.
- f. Public register of persons sanctioned for corruption or related offences.
- g. Public procurement monitoring and automated detection of irregularities.
- h. Platform for collecting, verifying and publishing political party financial reports.
- i. Registers of gifts, lobbyist contact reports, and conflict of interest reports.
- j. Use AI to develop risk indicators and conduct big data analysis to detect and prevent corruption and integrity breaches.

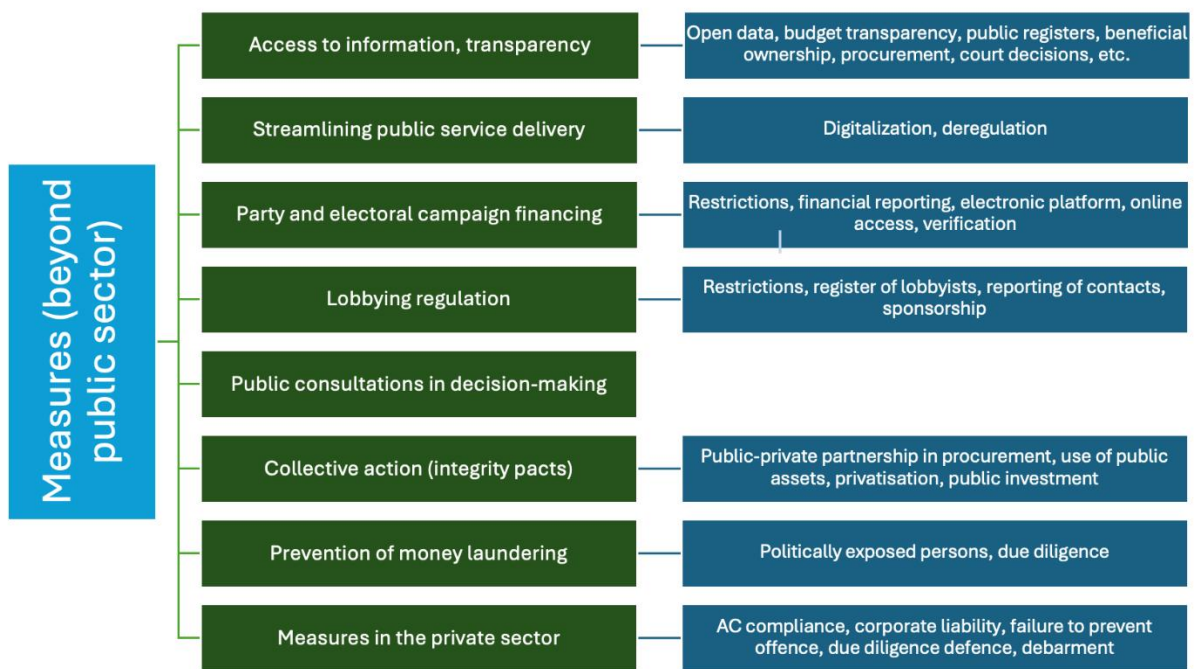
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## Annex 1









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## Annex 2.

### Box 2. External corruption risk assessment and analysis in Lithuania

- The Special Investigative Service of Lithuania (STT) conducts corruption risk analysis (CRA). STT is an anti-corruption agency with a mixed mandate dealing with criminal investigation of corruption cases and preventive functions of risk assessment and public education.
- The analysis targets a field or process of state or municipal activity involving one or more public sector entities. The grounds and main rules for the analysis are stipulated in the Corruption Prevention Law. The STT establishes the detailed procedure for the analysis that is made public.
- The STT, in determining the necessity to perform corruption risk analysis in a certain field or process, considers the probability of manifestation of corruption (if the probability of manifestation of corruption in the relevant field of activity or process has been determined), assessments of corruption risk management, information related thereto, other information available and accessible to the STT, taking into account the priorities in the prevention of corruption approved by the STT Director.
- The field or process of state or municipal activity in which CRA will be performed is selected taking into account the following criteria: 1) whether there have been attempts, in violation of the procedure established in law, to affect the employees of the public sector entity or decisions adopted by them; 2) whether criminal acts of a corruptive nature have been detected in another similar field or process of state or municipal activity and there are grounds to believe that the risk of such corruption may also exist in this field or process of state or municipal activity; 3) whether the decisions adopted relate to the material or other benefit of the persons, the granting or restriction of permits, concessions, allowances and other additional rights, the exercise of control or supervision; 4) whether control, supervisory or law enforcement authorities have detected any infringements of law of a corruptive nature in the field or process of state or municipal activity; 5) whether other substantiated information has been received regarding corruption risk factors existing in the field or process of state or municipal activity.
- After performing corruption risk analysis, the STT submits to the public sector entity a draft conclusion with information on the detected corruption risks and their factors, and proposals of a recommendations to reduce the detected corruption risks and eliminate their factors. The public sector entity has the right to: 1) provide additional data and information on its own initiative; 2) submit comments and motivated proposals to the draft CRA conclusion and receive explanations; 3) choose the most rational way of implementing the recommendations provided in the conclusion; 4) reasonably disagree with the conclusions of the corruption risk analysis. The final CRA conclusion is made public and submitted to the entity whose activities have been analyzed.
- Within three months after receiving the CRA conclusion from the STT, the public sector entity shall make public on its website information on how the CRA proposals will be implemented. Not more than one year from the date of receipt of the CRA conclusion, the public sector entity shall make public on its website what actions have been taken and what results have been achieved in reducing the risk specified in the conclusion and (or) eliminating the risk factors, whether the proposals have been implemented, or shall substantiate why no such action has been taken.
- The STT summarizes and makes public information on the actions of public sector entities in reducing the detected corruption risk and (or) eliminating the corruption risk factors.
- The Corruption Prevention Law stipulates that methods and tools for gathering criminal intelligence may not be used for the purpose of corruption risk analysis.
- The STT also conducts anti-corruption assessment of legal acts and their drafts. According to the Corruption Prevention Law, the STT reviews draft legal acts at the request of the President of the Republic, the parliament, the Prime Minister, a parliamentary committee, commission or political faction. If there is no such a request, the STT may carry out the anti-corruption assessment of the draft

normative legal act or a normative legal act in force. The law determines factors considered by the STT when deciding to review a legal act or its draft on its own initiative. The review conclusions are made public. The entity that drafted or adopted the legal act should report publicly about implementation of the STT review conclusions.

- The Law on the STT stipulates that the STT performs analytical anti-corruption intelligence that includes collection, processing and collation of information on corruption and the related phenomena with other public or classified information available to the STT, as well as receiving, using and providing of qualitatively new data that is the result of processing this information to the Government and municipal agencies and officers authorized to make decisions significant in terms of reduction of the spread of corruption. The purpose of information collected and processed during the analytical anti-corruption intelligence activities is to neutralize threats and risks caused by corruption before they develop into corruption-related crimes. Moreover, the information may be used for other lawful objectives of collecting information in line with the remit of the STT.

Source: Legislation on STT, <https://www.stt.lt/en/legal-information/laws/4975>.

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