

# Combating corruption in Africa: Role of internal auditor

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## Presentation outline

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## Introduction

- ❖ Corruption has become endemic in Africa.
- Corruption is influenced by the extent to which it is considered acceptable or unacceptable in a society, and the risk of being exposed or punished.
- In most cases, discovery is unlikely, and where it occurs, punishment is often overlooked, thus making the practice even more frequent.
- Too much lip service; rhetoric and empty soundbites about corruption in Africa!
- “Much ado about Nothing”

## Common forms of corruption

- Bribery, Bribe Solicitation, Extortion
- Embezzlement, Theft and Fraud
- Procurement Fraud
- Abuse of Functions & Discretion
- Influence Peddling/Trading Influence
- Illicit Enrichment
- Favoritism, Nepotism and Patronage
- Election Fraud, Vote buying and other political schemes
- Creation and Exploitation of conflict of interests, etc.



## Kofi Annan on Corruption

“Corruption is an insidious plague that has wide range corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security to flourish.

This evil phenomenon is found in all countries, ... but it is in the developing world that its effects are most destructive. Corruption hurts the poor disproportionately by diverting funds intended for development, undermines a Government's ability to provide basic services, feeding inequity and injustice and discouraging foreign aid and investment...”

- Kofi Annan, Forward to the UNCAC

## Effects Of Corruption

- ❖ The following are some of the more easily identified effects of corruption in Africa;
  - ✓ Poor educational and health infrastructure and service
  - ✓ Skewed allocation of resources
  - ✓ Terrible roads especially in the inner city
  - ✓ Rising poverty and growing of urban slums
  - ✓ Weak State institutions & governance structures
  - ✓ Low levels of trust for State institutions
  - ✓ A general feeling of insecurity
- ❖ It is estimated that corruption is wreaking havoc on the African Continent, costing about US\$300 billion annually.
- ❖ But for us, the real cost of corruption is in terms of lives lost needlessly through corruption.

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## Definition of Corruption

- ❖ Definition evolving over time
- ❖ The more generally accepted definition in contemporary literature is the **“abuse or misuse of entrusted power for private or personal gain”**

## Conditions that make Corruption flourish in Africa

- Acceptance of and high tolerance for Corruption;
- Weak political will to pursue and invest in anti-corruption measures;
- Weak Governance, Accountability and Anti-Corruption institutions
- Impunity, Sycophancy and Politicization
- Ownership of Anti-Corruption efforts
- Public cynicism and apathy toward the fight against corruption

### Combating Corruption: Legal Framework & Key International & Regional Instruments

- ❖ The starting point is good legal framework
- ❖ The United Nations Convention Against Corruption [UNCAC]
- ❖ The African Union Convention on Prevention and Combatting of Corruption [AUCPCC]

### Combating Corruption in Africa

- ❖ There's no one fit all strategy for winning the war against corruption
- ❖ Some successful nations have adopted a singular institutional approach, whilst others have adopted the multi-institutional approach
- ❖ Whatever institutional approach is adopted, it is important we combine the three-pronged approach [Education or Capacity Building, Prevention, and Deterrence] effectively, and simultaneously

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### Combating corruption: Ghana's Approach

- **Ghana has adopted a multi-agency approach to dealing with corruption**
  - Commission on Human Rights & Administrative Justice [CHRAJ]
  - Economic & Organised Crime Office [EOCO]
  - Bureau of National Investigation [BNI]
  - Financial Intelligence Centre [FIC]
  - Ghana Police Service [GPS]
  - Audit Services – Internal & External
  - The Attorney-General's Office [AG]
  - Judicial Service

### The Private Sector & Corruption

- ❖ Often described as the supply side of corruption, the private sector is very key to any strategy to combat Corruption
- ❖ Many strategies for fighting corruption tend to focus on or emphasize Public Sector corruption.
- ❖ Although there's good reason to fight Public Sector (PuS) corruption, a strategy that focuses only on PuS is flawed.
- ❖ The Private and Public Sectors are like two sides of the coin
- ❖ You cannot effectively win the war against corruption in a society by tackling only one sector
- ❖ An effective strategy should target all key sectors – Public, Private and Civil Society

## Ghana's NACAP

- NACAP is Ghana's strategic response to corruption
- It is the national strategy for fighting corruption in Ghana over a 10 year period
- NACAP adopts a transformational and Human Rights based approach to fighting corruption
- Adopts the 3-pronged approach – **Education or Capacity Building, Prevention and Deterrence.**
- It adopts a multi-sectorial approach to fighting corruption, and emphasizes collective ownership and responsibility.

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## NACAP

- **Vision:** The vision of NACAP is the creation of a sustainable democratic society founded on good governance and imbued with high ethics and integrity.
- **Mission:** NACAP is adopted to contextualise and mobilise efforts and resources of stakeholders, including Government, individuals, civil society, private sector and the media, to prevent and fight corruption through the promotion of high ethics and integrity and the vigorous enforcement of applicable laws.

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## Strategic Objectives

- ❖ Build public capacity to condemn and fight corruption and make its practice a high-risk, low-gain activity
- ❖ Institutionalize efficiency, accountability and transparency in the public, private and not-for profit sectors
- ❖ Engage individuals, media and civil society organisations in the report and combat of corruption
- ❖ Conduct effective investigations and prosecution of corrupt conduct

## Using the GOD/Faith Factor

- It is said that the African is incurably religious
- Statistics show that over 94% of the Ghanaian population profess one kind of faith or another
- All of these faiths denounce corruption; so why are we so hospitable to corruption
- NACAP seeks to employ people's faith to help build up integrity and fight corruption
- Africa must take advantage of its faith to fight corruption

### Role of Internal Audit

- The internal audit function is part of governance and accountability mechanism in both public and private sectors. It has very significant role to play in supporting the fight against corruption.
- Though it is not the primary responsibility of internal audit to oversee anti-corruption programmes, its accountability functions should help shut down corruption prone risks and uncover the most well guarded fraud, if performed with due diligence.
- Evidence show that when we Strengthen Internal Audit and Controls, we reduce opportunities for corrupt practices and other risk

### Role of Internal Audit

- Regular systems examination, not only help seal potential corruption loopholes and leakages, but serves notice on would be offenders that they are likely to be detected and act as a deterrence
- Internal Audit, if it assume its proper role, should help put in place good systems to prevent and expose corruption, and ensure the systems work with regular monitoring
- Investing in and building strong Internal Audit is a sound anti-corruption strategy
- Note: a weak IA is still better than none

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### Conclusion

- Corruption can be tamed, but it requires sustained effort and commitment on our part
- Fighting corruption requires that we mobilise all efforts and resources
- A successful anti-corruption strategy must provide both space and incentives to the ordinary person to own the anti-corruption effort and join in the fight.
- Combatting corruption is a collective responsibility

### Conclusion

- Africa must demonstrate political will to invest in the fight against corruption
- We all must demonstrate the political will to fight corruption
- Too much emphasis on Knowledge, instead of Character
- Africa, if we cannot love ourselves, who can possibly love us.
- Time to rise up and fight; not with machetes and guns, but with good anti-corruption laws, policies, systems, programmes, values and culture.

# Thank You

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