

# UNMASKING LIFE-STYLE AUDIT AS A PROACTIVE MECHANISM TO ROOT OUT CORRUPTION: THE CASE OF SOUTH AFRICA

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## ABSTRACT

*This article explores the potential of a life-style audit, a proactive mechanism for rooting out corruption by identifying and isolating a corrupt employee/public official particularly in the local sphere of government where corruption is endemic for investigation immediately the life-style suddenly starts showing that the employee/the official is living beyond legitimate income and means. This anti-corruption tool for fighting and curbing corruption is speedy and has low-cost implication. The article focuses on the local sphere of government because of the unique responsibilities and duties it has been constitutionally entrusted to do. This is said against the backdrop that local government is the closet to the poor and the indigent people who live in the local and rural communities this notwithstanding, they are equally entitled to quality basic service delivery by the employees and officials of the local government. This article accentuates that corruption by the local government employees and officials is the major impediment to the delivery of quality services to the people and the community at large. Life-style audit is therefore considered as a proactive anti-corruption tool to identify and root out corruption before it becomes endemic.*

**Keywords:** Extravagant Lifestyles, Fraud, Oversight, Public Officials, Poor People, Basic Services.

## INTRODUCTION

In South Africa, there are three constitutionally entrenched spheres of government namely national, provincial and local. The local sphere of government consists of about 257 municipalities spread across the whole territory of South Africa. Each municipality is autonomous, and the leaders of these municipalities are politicians democratically elected to perform and carry out their mandate as enshrined in the Constitution of the Republic of South Africa 1996 (the Constitution) for a specified period (Fuo, 2017). The local sphere of government occupies a unique position out of all the three spheres of government because it is the closet to the grassroots people and the communities. Officials of the local sphere of government comprise of politicians and civil servants that are mandated in terms of the Constitution and Local Government Municipal Systems Act 32 2000 (LGMA) to provide, amongst others the delivery of

*“Basic services for an acceptable and reasonable quality of life...and also to provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities, and ensure universal access to essential services that are affordable to all.”*

Chapter 5 of the Municipal Structures Act 117 of 1998 but came into effect in February 1999 (MSA) provides *inter alia* in section 83(3) that municipalities should seek to; achieve the integrated, sustainable and equitable social and economic development of its area as a whole; ensuring integrated development planning; promoting bulk infrastructural development and services; building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

The political office holders and career public officials are mandated to diligently carry out their responsibilities as espoused in terms of section 52 of the Municipal Finance Management Act 56 of 2003 (MFMA) by providing general political guidance over the fiscal and financial affairs of the municipality through monitoring; oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer; must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget; and implement the budget and the finances of the municipality.

Furthermore, in terms of section 78(1) of MFMA, the senior managers and other officials of municipalities are to exercise financial management responsibilities and take all reasonable steps within their respective areas of responsibilities to ensure that municipalities diligently carry out their mandate and responsibility effectively, efficiently, economically and transparently; and prevent losses. They should ensure that the system of financial management and internal control are established for effective and efficient finance; use of their resources reasonably and sustainably; prevent unauthorised, irregular or fruitless and wasteful expenditure; ensure that all revenue due to the municipality is collected; ensure that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained properly. More importantly, local government officials should ensure that all information required by the accounting officer for compliance with the provisions of the MFMA is timeously submitted to the accounting officer of the local government.

The municipal government also have expanded developmental mandates which transcend service delivery mandates. These mandates are expressly provided in sections 153(a) (b) of the Constitution thus

*“A municipality must structure and manage its administration and budgeting and planning process to give priority to the basic needs of the community, and to promote the social and economic development of the community...and participate in national and provincial development programmes.”*

Section 151(1) of the Constitution provides that the local government consists of municipalities, to this end; Fuo (2017) had this to say regarding the broad mandates of the local government aimed at providing

*“Democratic and accountable government; promoting public consultation in local government matters; promoting socio-economic development; promoting a safe and healthy environment; providing services to communities in a sustainable manner; and contributing, together with the other spheres of government, towards realizing a variety of rights entrenched in the Bill of Rights.”*

Despite all these statutory mandates which gave these public officials the power to render and deliver high quality services to the vulnerable, the poor and the needy, they are unable to

provide nor deliver most of these basic services because the monies and resources allocated for these purposes have been corruptly stolen by these corrupt public officials and this is rampant and common at the local sphere of government (Wrage, 2007). Undisputable, this is tantamount to corrupt enrichment and an abuse of power and position entrusted to them for private gains. The implication and effect of these are that corruption

*“Hurts everyone whose life, livelihood or happiness depends on the integrity of people in a position of authority who had intentionally engaged in corruption which is tantamount to an illegitimate use of political power or position to benefit a private interest” (Adetiba, 2017).*

Sadly, these malfeasants continue to be perpetrated with impunity to the extent that the

*“Vice manifests itself through diversion of public funds, irregular payments, unauthorized expenditures, staff fraud and bribery, denying the citizenry crucial services like access to affordable healthcare services, water and good road infrastructure, employment and opportunities” (Koigi, 2016).*

Sometimes, these corrupt officials arrogantly displayed their ill-gotten wealth by living flamboyant life-styles with disdain for accountability. It is against the backdrop of this extravagant display of wealth and lavish life-styles that the society would suddenly views the finances and life-styles of these corrupt officials with a skepticism that often drifts into contempt. This assertion is correct because people and the society would have noticed that there is a remarkable mismatch between the income some of these corrupt public officials earned as wages or salaries and the expenses they incurred (Bearak, 2010).

It is disheartening to read frequently from the annual reports of the Auditor General of South Africa of the high level and rate of massive corruption and aggressive fraud being perpetrated and committed by these corrupt officials who have been entrusted with the municipality treasury and resources. The Auditor General reports for 2015 to 2016 revealed that municipalities across the country continue to fail in their responsibilities and duties because they dismally failed to have clean audits and that this was attributed to maladministration, fraud and corruption.

Similarly, the Auditor General identified lack of leadership and accountability as key factors for the poor performances of most of the municipalities. There were also accountability and management gaps in conducting the municipal affairs. There were other series of problems such as inappropriate planning by the officials; continuous failure to focus on the needs of citizens; lack of appropriate internal control and supervision that will ensure proper financial and performance management; blatant disregard for the law in the running of municipalities; lack of political oversights and monitoring of budgets and performance targets by political and administrative leaderships lack of consequences for mismanagement and non-performance. These vices and maladministration would not have occurred if the officials and politicians entrusted to administer and run these municipalities were not compromised in discharging their mandates to the letter.

Another disturbing aspect of the Auditor General’s report is the lackadaisical attitudes of the leadership in curbing maladministration and corruption. In most cases, there have been instances of slow response by the leaders in improving key internal controls and addressing risk areas such that key officials’ positions are given to officials with required competencies as opposed to partisan political deployments of incompetent party members or relatives to these sensitive and technical positions. Where nepotism is uncovered, leadership would look other way

and failed to right the wrong. All these, undoubtedly would entrench accountability problems and foster corruption because the leadership is compromised, corrupt and incompetent. (Ndlendle, 2017).

It is pertinent to point out that maladministration and corruption will continue to thrive in the municipalities if basic principles of accountability are not built around a central theme of strong internal control and good governance. It is for this reason that control and oversight mechanisms should be strengthened in the municipalities in order to root out corruption (Philp, 2016). If this is diligently done as mandated by the laws, corruption would be drastically reduced if not totally eradicated. Obviously, effective fighting of corruption and corrupt activities would engender money earmarked for the delivery of basic services to the people and community to be properly utilized. By so doing, the people and the community's expectations would have been met and fulfilled and this will have major impact on the standard of living of the people and the community as a whole (Ndlendle, 2017).

The crux of the matter is that perpetrators of fraud and corruption in most of the municipalities have perfected the arts of manipulating provisions of transformative legislation aimed at preventing fraud and rooting out corruption to meet their whims and caprices in their fraudulent and corrupt enterprises. To this end, public officials engaged in corrupt activities with impunity to the extent that some have amassed huge monies from corrupt activities. Even if a corrupt official is caught in the act, there is abundant financial means and wherewithal which have been corruptly stolen and part of this would be used to bribe his or her way out of the problem. Similarly, as a result of the illicit accumulation of money through corruption, part of this would be used to hire the services of the best lawyer to defend the corrupt official and fight the employer if the corrupt official is called upon to account.

Essentially, in order to hold any corrupt public official accountable for corruption, this requires human and monetary resources. Also, due processes must be followed and suspected corrupt officials must be allowed and afforded the opportunity to defend themselves. This is in consonant with the rule of law and fair hearing. However, oftentimes, these corrupt officials use money acquired through corruption to pay for the services of prominent lawyers to defend them and might even escape criminal responsibility. Sometimes, corrupt official might even win the case on the ground of mere technicality and could likely retain the ill-gotten money while the municipality defrauded continues to fail in its bid to deliver basic services to the people and the community.

Therefore, the adage that says that prevention is better than cure perfectly resonates very well with the use of life-style audit as a tool to detect and stop corruption before it becomes endemic and irreversible to the extent that the perpetrator might get away with the proceeds of corruption. Pre-emptive and proactive interventions that are positive, sincere, transparent, and timely are needed before corrupt situation become endemic leading to uncontrollable looting (Okoye, 2017). Therefore, the significance of life-style audit as a pre-emptive and proactive tool is to establish whether the official is engaging in fraudulent and corrupt activities and it is against the backdrop of this that Gillespie (2014) points out that life-style audit

*“Is one of the few mechanisms that organisations may utilise as a first step towards discreetly determining whether a “tip-off” of suspected fraudulent activity potentially has merit or not.”*

Also, finding less expensive but effective sustainable solution that would proactively root out corruption that would not result to prolong investigations of corruption is critically

imperative in order to root out corruption before it becomes endemic. Therefore, this article proposes the use of life-style audit as strategic potential tool for detecting, rooting out, fighting and combating public officials' corruption in South Africa. Life-style audit is the study of a person's living standards to see if it is consistent with his reported income (Ghai, 2018). Often, inconsistency in the reported income and standard of living of an individual may indicate fraud and unreported income (Mahlati, 2017). Gillespie (2014) quoting Powell (2011), defined life-style audit as

*“Simply an amalgamation of reports from a variety of databases which provide management, as well as investigators, with a snapshot into certain aspects of the life of an employee. Lifestyle audits are a legitimate fraud prevention and detection mechanism.”*

Fundamentally, building strong institution is a key to detecting and controlling corruption (Dye & Stapenhurst, 1998). It is widely accepted that one of the most critical elements of a country's anti-corruption program is the strengthening oversight in order to promptly detect and root out corruption. While corruption is a problem that most countries have to confront, there should be a concerted effort to promptly detect and root out corruption before it becomes entrenched (Dye & Stapenhurst, 1998). Fighting corruption requires strong political will and as such, political leadership needs to take a stand by embracing proactive intervention mechanism that will prevent and discourage corrupt practices by public office holders.

Interestingly, the newly elected President of South Africa, Cyril Ramaphosa is an ardent advocate of ensuring that all government officials and public office holders should be made to be subjected to life-style audits. Ramaphosa insisted that his cabinet members should be frequently subjected to life-style audits to help identify senior government officials and leaders who engage in corruption in order to root out corruption and nip it in the bud. To show that he was serious about this type of oversight and accountability interventions, he emphatically said it would be part of the resolution of the new government to subject government officials to life-style audits in all the three spheres of governments particularly, in the municipalities where officials are constitutionally mandated to provide and render basic services to the people at the grassroots and the community. Ramaphosa proposed Life-style audit against the backdrop that

*“The country has been subjected to corrupt officials for a long time now, spring cleaning is needed. Once corruption is eradicated this will call for everything and everyone to be transparent. People in high positions need to be held accountable for their spending and incomes.”*

Over and above, the significance of subjecting senior officials and by extension all public officials to life-style audits, particularly those in the municipalities where corruption is endemic, will demonstrate the government's commitment to fighting corruption (Ndlendle, 2017).

As an oversight mechanism, it is pertinent to point out that declaration of assets and interests of public officials and politicians on a yearly basis while in public offices and positions of authorities are critical, especially when the principles of life-style audit are applied because it will serve as a useful gauge to check whether they are living within their means or not. If an official is suspected to be living beyond his or her means or income, life-style audit becomes imperative oversight intervention to detect, identify and root out the corrupt official. In other words, if the official is exhibiting corrupt tendencies and have started displaying suspicious life-styles which are not commensurate to his or her income, life-style audit would be used to identify and stop the corrupt official from continue with the corrupt enterprise. More

importantly, using life-style audit to identify and hold corrupt officials accountable would send a warning message to potential corrupt official that have the ambition of engaging in corruption not to tow the path of corruption. Implementation of Life-style audit serves as a deterrent to an ambitious would-be corrupt public official to have a re-think and carry out the noble constitutional mandate which enjoins public officials to render and deliver corrupt free basic services to the people in the municipalities particularly to the poor, the venerable and the needy.

## **METHODOLOGY**

This article utilised contemporary literature review pertaining to how life-style audit is a potent tool to identify and root out the problems of fraud and endemic corruption in the municipalities by corrupt public office holders and government officials through audit evidences of their sudden flamboyant and lavish lifestyles. Essentially, the article emphasises that life-style audit is a proactive-preventive measure that should be used as an immediate intervention to curb corruption before it becomes entrenched, pervasive and endemic. The article also relies on the contents and provisions of different legislation that resonate very well with life-style audit, rooting out of corruption and as such utilised relevant provisions to support the use of life-style audit as an anti-corruption tool.

## **LITERATURE REVIEW**

Usually, extravagant and flamboyant lifestyles of an employee are red flags which would trigger suspicions of wrongfulness and hence a call for life-style audit (Bearak, 2010). Nowadays, in South Africa, acts of fraud and corruption have become the main sources of accumulating quick wealth by many, particularly public office holders and government officials (Lodge, 1998). These acts of fraud and corruption have depleted the resources of most municipalities and contributed negatively to the development process of delivering services to the poor and the needy in the communities (Blundo et al., 2013). Put in other words, corruption is a very complex and economic phenomenon that has bedevilled various aspects of municipalities to the extent that it has affected policies' implementation at varying degrees with a multiplier effect on the level of socio and economic developments in the grassroots and communities (Fagbadebo, 2007).

Sadly, as pointed out by Ramaphosa, corruption has permeated into virtually every sector in South Africa but it is most prevalent amongst political office holders and public officials and it is gaining momentum on a daily basis because of lack of accountability which is now breeding arrogant culture of impunity. Corruption is being patronised to the extent that it has attracted metaphors of some sorts such as 'endemic corruption' and 'cancer worm.' The impact and effect of corruption are devastating to the extent that it is ravaging all aspects of the society in South Africa. These days, corruption is perceived as the norm as opposed to the exception because virtually everybody, particularly people who are in positions of authorities and responsibilities engage in it with impunity. It is against the backdrop of this that all means should be deployed and used to tackle and fight corruption. One such proactive mechanism that should be used whenever an official is suspected of corrupt activities is the life-style audit. Generally, there is the tendency that corrupt officials would want to exhibit and show their new fraudulent status through flaunting their new material accumulations to impress their peers and colleagues. It is at this point that inquiry into the life-style of the official should commence considering that he or

she is now living above means. However, this does not preclude the organisation from deploying other legal means to determine and establish the nature of corruption being perpetrated because what is important is to discover the crime and immediately nip it in the bud, otherwise, continuity might result to colossal disaster and bankrupt the organisation as evidenced in some municipalities already declared bankrupt due to massive fraud and corruption (Suntai & Shem, 2018).

Corruption can be seen as a monster and the country's greatest enemy which must be destroyed by all necessary means. Ironically, despite the continuous condemnation as well as the effort of anti-corruption institution like Corruption-Watch to eliminate this so-called monster, on a daily basis, the country is yet inundated with series of reports of high profile fraud and scandalous cases of corruption by public office holders.

Even if there is no need for suspicion of corruption as a result of change in the life-style, political and public officials should be subjected to annual life-style audits. This is apposite because the mechanism can pick up fraud and corruption and other potential problems ravaging various government establishments. The call for using life-style audit as corruption detecting mechanism is now gaining momentum in South Africa in the face of debilitating corruption. Being proactive in tackling corruption presupposes that municipalities should, on a yearly basis or whenever there is need, subject their officials to independent life-style audits and conflict of interest to verify the source of their wealth in a bid to identify any red flag and root it out immediately before it becomes endemic.

It is pertinent to point out that there are different types of legislation that have been put in place to prevent corruption and make public officials act responsibly, professionally and accountable. However, the problem is that the officials who have been given oversight responsibility are usually found colluding and complicit in fraud and corruption. The perpetrators work in group and cabal to sustain corruption. As such, any attempt to unravel corruption through audits is usually aggressively resisted or undermined by corrupt political office holders and public officials by failing to cooperate or provide documentary evidence required by the auditors to detect and root out corruption. The Public Finance Management Act, 1999 (PFMA) mandates that:

*“Public funds are managed with a stronger emphasis on the prudent use of state resources, improved reporting requirements and the use of management information to enhance accountability.”*

The purposes of PFMA are to:

*“Regulate financial management in the national government; to ensure that all revenue, expenditure, assets and liabilities of that government are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in that government; and to provide for matters connected therewith.”*

Fruitless and wasteful expenditure are components of maladministration and corruption, according to PFMA, these types of expenditure are made in vain and would have been avoided had reasonable care been exercised. While irregular expenditure

*“Means expenditure, other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with a requirement of any applicable legislation.”*

The PFMA described unauthorised expenditure as:

*“Overspending of a vote or a main division within a vote; expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.”*

With proper implementation of the PFMA, the likelihood of corruption going unnoticed would be minimal but as already alluded to, in order for these control and oversight to succeed they require the support of all role players and stake holders. The focus of the forensic investigator when there is suspicious extravagant life-style of an employee is by looking out for movables and immovable properties of the suspect such as the types of vehicles, that has been recently acquired which might reveal that the monthly repayment exceeds what would be reasonably affordable to the employee concerned. For example, if a house is purchased with cash without any bond, this will automatically raise a red flag as to where the employee raised money to buy a very luxurious expensive house in cash (Powell, 2018).

Most times, in South Africa, whenever corruption is mentioned, it is usually associated with politicians and public officials where nepotism, bribery and misappropriation of funds are gradually becoming an acceptable culture (Johnston, 2017). Suntai & Shem (2018) elaborately defined corruption as any form of a deliberate effort by officials in public or private sector to illegitimately acquire unmerited riches though abusing their official authority. This definition depicts a situation where someone in position of public office decides to abuse the office for personal gains and self-aggrandizements.

However, it is pertinent to point out that it does not mean that corruption is only limited to public office holders and government officials, private individuals such as service providers and contractors have been found to actively colluded and cooperated by participating in corruption that involved in the looting of the municipalities treasury and resources. In support of this assertion, Okoye (2017) puts it thus:

*“Most times, when we talk of fraud and corruption, the minds of many quickly veer to politicians and political appointees, but disappointingly, acts of fraud and corruption pervades all sectors.”*

This is why corruption is generally considered as any insincere behaviour that undermines the ethical standard of a society.

Oftentimes, without payment of bribes to officials, they are most likely to delay or inefficiently perform their mandated duties (Khumalo, 2018). Many public officials engage in self-enrichment, embezzlement, kickbacks, looting through extraction and bribery (Lambsdorff, 2001), even though they occupy position of public trust. The abuse of this trust is damaging and sometimes could result to outright collapse of the municipality as corruption impedes development and minimizes the ability of government to reduce poverty (Kettl, 2015). Against this backdrop, it is imperative that fraud and corruption have to be effectively addressed because they are now having negative impacts on all aspects of the society and developmental programmes and plans (Lawal, 2007).

Similarly, corrupt practices such as toss in cronyism, nepotism and patronage favors and opportunities bestowed on friends, family and supporters without any regard to qualifications are rampant in the municipalities and government establishments (Lawal, 2007). Lawal, (2007) emphatically asserts that:

*“Once corruption becomes entrenched, its negative effects multiply. It induces cynicism, because people begin to regard it as the norm. It undermines social values because people find it easier and more lucrative to engage in corruption than to seek legitimate employment. It limits economic growth because it reduces the amount of public resources, discourages private investment and saving and impedes the efficient use of government revenue and development assistance funds.”*

In summary, the effect of fraud and corruption perpetrated by public officials is that the benefits and services to be received and enjoyed by the poor, indigents, community and society are taken away from those that actually deserve them to others who do not; thereby compromising basic service delivery to the poor and the needy (Okoye, 2017).

## FINDINGS AND DISCUSSION

Life-style audit is used to determine whether an employee is living within his or her means of income (Singleton, 2010). Life-style audit is one of the legal mechanisms of pre-empting and detecting corrupt activities (Spann, 2014). Life-style audit involves an intensive probe into the life-style of an employee to detect sudden and suspicious affluence that may suggest fraud (Adetiba, 2017). According to Koigi (2016), in using life-style audit to assess and evaluate whether there are on-going fraudulent corrupt activities being perpetrated, various parameters like a suspect’s consumer index, which is measured by adding the spouse’s income, the family’s declared assets and the average spending of the family every month are considered in order to determine the reason for the sudden change in life-style. If it is discovered that the summation arising from these parameters are unable to fund the current life-style, automatically, this would arouse or trigger reasonable suspicion that the person is living beyond his or her income hence suspicion of fraud and corruption is triggered (Ormston et al., 2014).

According to Crumbley (2009), the significance of using life-style audit to identify corrupt activities is that *“often a suspect’s lifestyle will give him or her away.”* Gillespie (2014) citing the Association of Certified Fraud Examiners (ACFE) Report 2010 indicated that characteristically:

*“Fraudsters often display certain warning signs or red flags that they are engaging in illicit activity.”*

The reason why life-style audit of public officials is imperative is because fraud, corruption and bribery are so rampant and systemic in virtually all sectors in South Africa. Corruption is the bane of delivery of good services to the poor and the community in South Africa and hampers growth and development in the municipalities and communities (Ababio, 2004). Hence, there is need for the municipality

*“To understand and perhaps implement life-style audits as a prevention method to fraud and corruption” (Ababio, 2004).*

Justifying life-style audit as an effective anti-corruption tool, Gillespie (2014) asserts that

*“Lifestyle audit is considered by many to be a valuable tool/mechanism in uncovering irregular income and is thus been called for by many sectors of business and government who believe they are necessary to expose cases of fraud and corruption.”*

Usually, forensic investigators are employed and deployed to conduct life-style audit because they have the skills to access and interpret all the data that would be discovered in the course of the audits (Golden et al., 2011). However, it is important to note that, in most organisations and in particular in the municipalities, officials commit corruption, collusion and fraud in different ways, sometimes with the support of service providers and contractors by doing off-books transactions where all processes are manipulated including the accounting records, supply chain and payments (Rothstein, 2011). Some of these corrupt officials have perfected criminal and corrupt tendencies to the extent that it would be very difficult to uncover these illicit deals because equally corrupt and dishonest professionals such as accountants and store keepers actively participated in concealing the fraud and corruption (Ghai, 2018).

It is pertinent to point out that sometimes officials who engage in corruption that might trigger suspicion and investigation may disguise by living an apparent quiet and modest lives and hoard the loots rather than spending the ill-gotten wealth lavishly (Mafema et al., 2009). No matter the disguise and deceit, with time, inadvertently the corrupt official is often so relaxed without knowing that the employer and some other people might have noticed the drastic change in life-style. Undoubtedly, the sudden change of life-style will arouse suspicion and as such this will be a strong basis for the employer or person of interest to want to inquire into this sudden change in life-style from humbleness to opulence. Therefore, life-style audit could serve as the first mechanism that the employer could utilise as a first step towards carefully establishing whether illicit or corrupt activities are linked to the duty and responsibility being discharged by an official or not. If there is a merit on the outcome of the investigation and scrutiny which show that the official is abusing his or her position by engaging in fraudulent and corrupt activities, this automatically affirmed the employee's involvement in corruption and this is described as suspect profiling or business intelligence gathering in order to firmly establish the extent of involvement.

It is pertinent to point out that life-style audit is inconclusive, but the outcome is an indicator, or a clue that something may be amiss. However, it should be noted that even if something is amiss and the employee is extravagant in his or her dealings, this may sometimes not translate to corruption or fraud. For instance, sudden change in life-style of an employee could be because of shares or benefits arising from inheritance, or a wealthy partner or family member providing financial support, which is not known to the employer. If this is the case, the sudden change in the life-style might trigger suspicion but if investigated, the outcome will be that the sudden change in life-style is not as a result of the proceeds of fraud or corruption. It will not be unreasonable to investigate in order to establish whether the sudden change is as a result of corrupt activity. However, if during the investigation or after the investigation it is discovered that the sudden change is as a result of legitimate income, the investigation should be discontinued forthwith.

Undoubtedly, political corruption should be condemned because it has devastating adverse effect on all spheres of government, the poor, the community and the society at large (Rose-Ackerman & Palifka, 2016 & 2013). Embracing life-style audit is a step towards rooting out corruption. South Africa is experiencing economic crisis partly because of endemic corruption driven by political office holders and public officials. Many officials have corruptly diverted and consumed funds which could otherwise have been used for social and economic projects like health and education, roads, water, electricity. Furthermore, corruption has also taken job opportunities away from the poor and as such, slowed down economic growth and

developments. Corruption by public officials is tantamount to stealing from the poor. By diverting or stealing money meant for the delivering of basic services to the poor, the needy and the community is deliberate or intentional stealing. Therefore, considering that life-style audit is pre-emptive oversight mechanism, it is easier to promptly nab and root out corruption being perpetrated by public officials engaging in stealing municipality money and resources. Advantageously, most times, life-style audit does not require lengthy investigation (Crumbly, 2009). Life-style audit is cost effective and corruption can easily be established through interrogation of the suspect's life-style, unlike the orthodox investigation which requires lodging of complaints with the police for investigation which might drag on in perpetuity and yet may not produce any reasonable outcome (Gillespie, 2014; Hiddleston, 2016).

While life-style audit is used as a potent tool to unravel corruption, it is submitted that it should be handled with caution and extreme professionalism in order not to invade private property and life. The problem in using life-style audit to detect corruption is that a fraudulent or corrupt employee might not exhibit any trait or sudden change in life-style. In this regard, the official will continue to perpetrate corruption and fraud as it seems that the lifestyle seemingly commensurate with the incomes because of the modest life-style not knowing that the official is hiding under the guise of being modest, whereas, the official is engaging in massive fraud and corruption and at the same time living a low-key life so that no one is able to suspect or detect any corrupt activities (Samociuk & Iyer, 2012). So, while life-style audit is a proactive tool that can be used to determine and establish whether an employee is involved in corruption, it is sometimes unable to determine the involvement of presumably very humble and modest employee who engages in massive scale of fraud and corruption. It is against the backdrop of this gap that other methods of fraud and corruption detections should be combined with life-style audit for an effective anti-corruption intervention. Other proactive mechanisms suggested are for instance, the internal financial control and management, close monitoring of supply chain and procurement, confirmation of all payments, verification that delivery of goods and services have been made, ensuring that there is holistic compliance with all the rules and procedures in other to strengthen accountability at all times. These should be handled by credible, ethical and professional auditors and personnel who have the expertise to unravel and discover fraud and corruption even by employees who maintain a very modest life-style but secretly engages in aggressive fraud and corruption.

## CONCLUSION

Undeniably, it is explicit that pervasive and endemic corruption are widespread in South Africa and very prevalent in the municipalities where public officials and political appointees are being fingered and accused of all sorts of corrupt activities on a daily basis. This is detrimental to the grassroots people who rely on basic municipal services. Corruption also impedes nation's growth and development. Therefore, there is need to root out and combat corruption whenever and wherever it rears its ugly head. As such, different interventions are needed for rooting out and combating corruption. The leadership in South Africa seems ready to take a firm integrity and anti-corruption stand by confronting and addressing the problem. Consequently, Ramaphosa has demonstrated strong leadership by calling for the use of life-style audit as a tool to expose and combat corruption being perpetrated by people who have been elected and appointed to hold positions of responsibilities. The irony is that those who have been elected or appointed to

position of responsibilities to protect municipality's treasury and resources are the ones who are engaging in corruption by defrauding and looting the treasury and resources they have responsibility to guard and protect. Therefore, there is need to use proactive pre-emptive interventions to identify expose and root out these corrupt public officials before they out rightly empty the treasury by looting and bankrupt the municipalities. It is pursuant to this that this article advocates for the use of life-style audit as a proactive anti-fraud and corruption mechanisms to protect municipalities money, finances and resources.

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