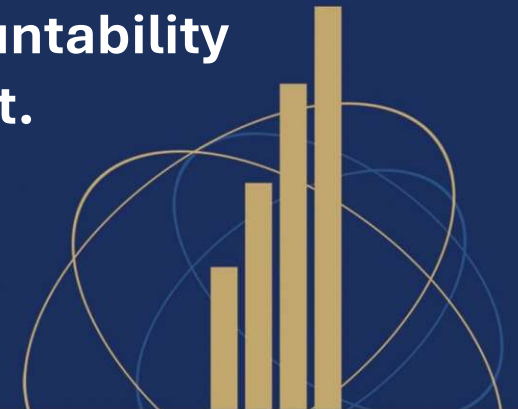




## Ethics –Driven Leadership in Public Finance: Accountability and Consequence Management in Rebuilding Trust.

**CIGFARO Limpopo Young Professionals Symposium.**  
**Raddisson Safari Hoedspruit**  
**29 April 2026**



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# State Capture

## Zondo Commission findings showed that:

1. Cabinet ministers were appointed based on Gupta influence
2. Billions lost through corrupt contracts at **state-owned enterprises**
3. Public procurement was manipulated to benefit a small group
4. Officials who resisted corruption were removed

## **Why this is unethical leadership:**

- Abuse of public office for private gain
- Lack of transparency
- Interference in procurement and appointments
- No accountability or consequence management



## **Impact on public finance:**

- Major financial losses at entities like Eskom and Transnet
- Decline in service delivery
- Erosion of public trust

# Ethical Leader

## Key ethical actions:

- Investigated misuse of state funds at the President's Nkandla residence
- Released the "Secure in Comfort" report despite political pressure
- Acted with independence, courage, and transparency
- Promoted constitutional values and fairness

## Why this is ethical leadership:

- Putting public interest ahead of personal or political interests
- Transparent investigative processes
- Accountability for misuse of public funds
- Demonstrating integrity under pressure

## Impact on public finance:

- President was required to pay back a portion of the misused funds
- Strengthened the culture of accountability
- Increased public trust in oversight institutions

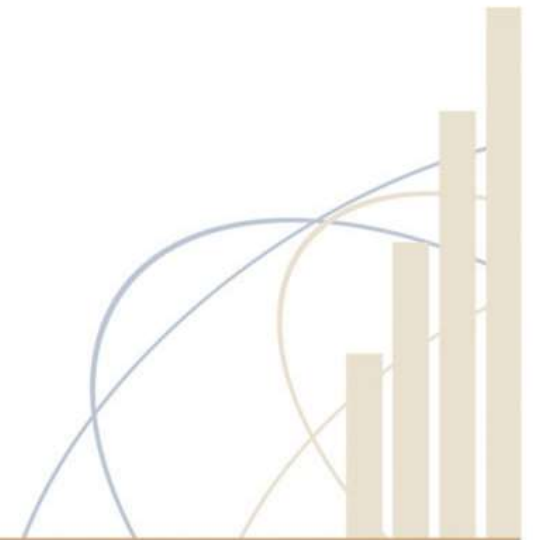
## Adv Thuli Madonsela

**Office of the Public Protector South Africa led major investigations exposing unethical conduct, even when politically risky.**





“Everything  
rises and falls  
on leadership”  
**John C Maxwell**



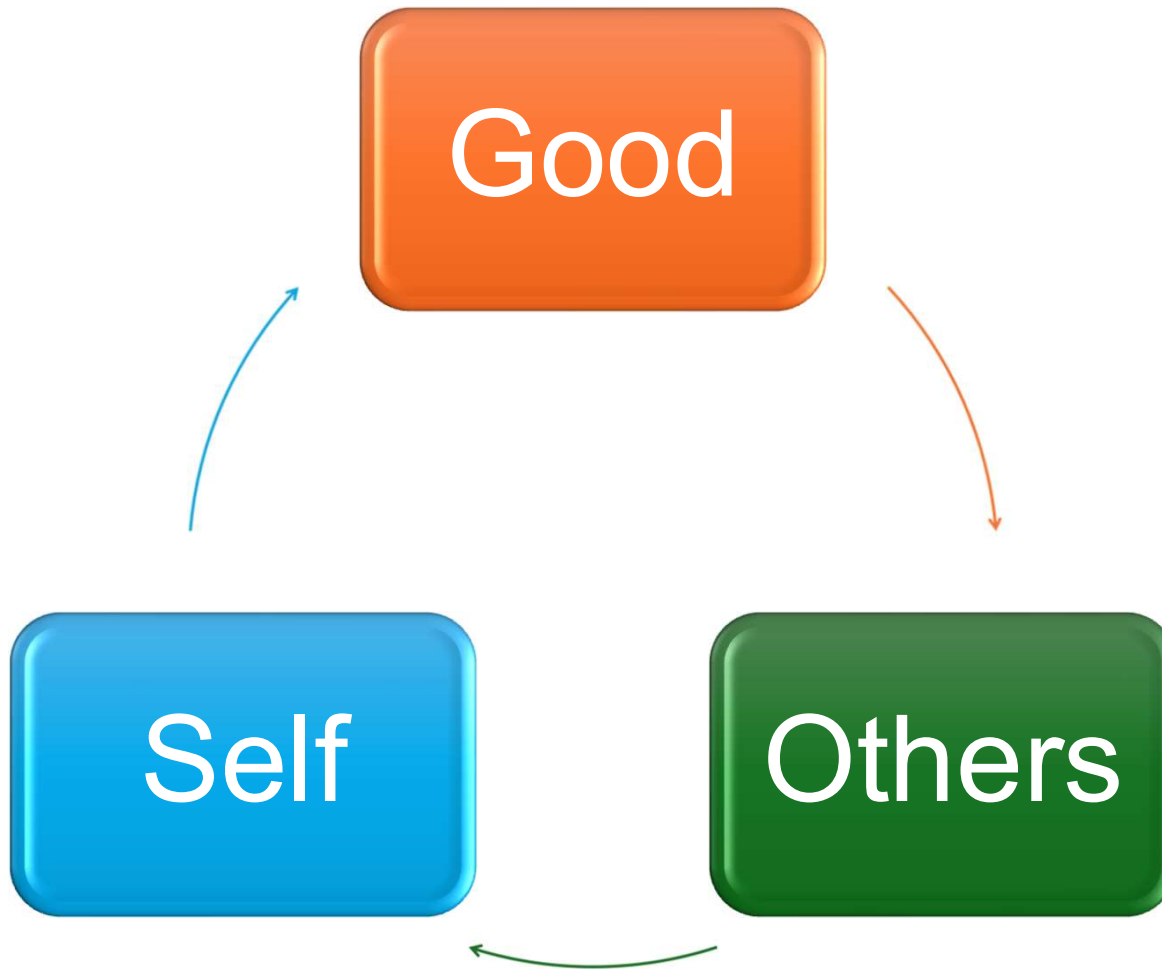
# Ethics

Ethics is a set of principles of right conduct or a system of moral principles.



Organisational ethics refers to **ethical values** applied to

- Decision-making,
- Conduct, and
- The relationship between the organisation, its stakeholders and the broader society.



## Public Finance Requires Stewardship, Not Ownership

- Government is for the people. People has entrusted those in leadership in Government to lead – ***This is TRUST.***
  - Relevant Legislations and frameworks must be followed when handling Public Funds.
  - Young Professionals in here include those training in: Budget, Revenue, Expenditure, Reporting, Assets Management, Internal Audit, Risk etc. – **You have the responsibility to steward Public Funds in future.**
- Public money is **not a personal entitlement**; it is a trust given by citizens.
  - Leaders must handle funds with **prudence, value-for-money principles, and compliance with legal frameworks** (PFMA, MFMA, Treasury Regulations, etc.)
  - Stewardship includes **planning, controls, reporting, and safeguarding resources.**



# Ethics Driven Leadership

**Transparency** → Open budgets and reporting

**Accountability** → Answering for every rand spent

**Integrity** → Leaders resisting corruption

**Consequence management** → Misconduct leads to action

**Public trust** → Citizens regain confidence in government



# Transparency

**Budgets – Publishing of the budget and allocation. Public Participation on Budgets.**

**Transparent Procurement Processes – Tender advertisements, Evaluation Criteria published, successful bidders published and contract amounts.**

**Financial Reports – Monthly, Quarterly and Annual Reports published.**

**Public Participation – IDP processes, involvement of communities in prioritization, feedback to communities.**

**Accessibility to Reports - AFS**

**Audit Outcomes – Audit Reports Published and Findings on UIFWE disclosed**



# Accountability: Cornerstone of Good Governance

Accountability means leaders are answerable for decisions, actions, and the use of public resources.

It includes **providing evidence**, explaining decisions, and being prepared for **scrutiny by oversight structures** (Internal Audit, Audit Committee, AGSA, Treasury, Council).

True accountability is proactive, not only when there is a crisis.

# Consequence Management

## Weak consequence management fuels:

- Corruption
- Irregular expenditure
- Collusion
- Wasteful spending
- Breakdown of service delivery

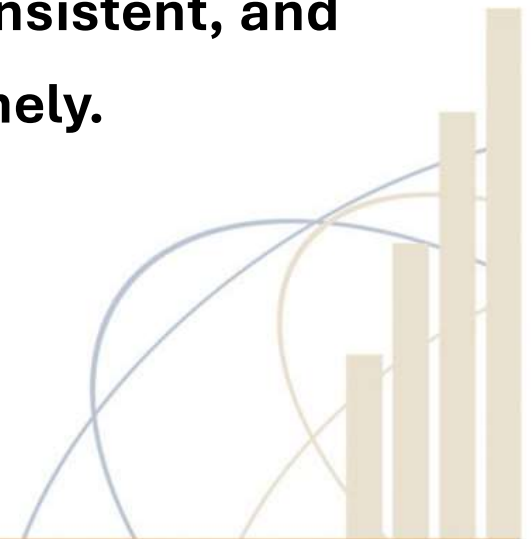
## Effective systems must include:

- Clear disciplinary processes
- Recovery of losses
- Cancelling and blacklisting unethical suppliers
- Reporting to law enforcement when necessary

## Consequence Management Is Not Optional

Consequence management must be:

- 1. Fair,**
- 2. Consistent, and**
- 3. Timely.**



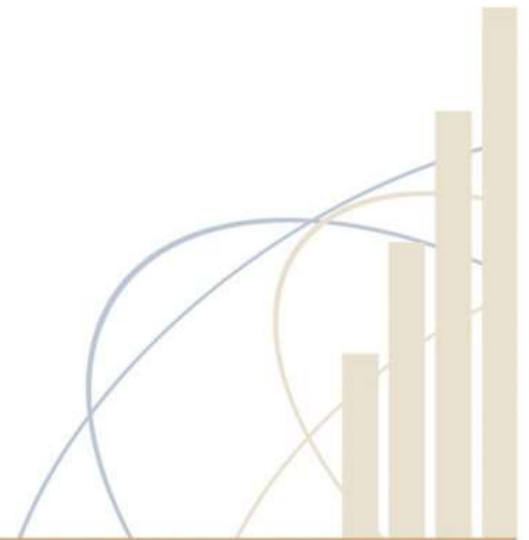
# Public Trust

## Rebuilding Trust Requires Visible Action

- Citizens no longer trust messages; they trust **behavior**.

## Trust is rebuilt when government:

- Publishes transparent financial information
- Acts against wrongdoing (not just commissions or statements)
- Strengthens internal controls
- Improves audit outcomes
- Shows improvements in service delivery
- Communicates openly and honestly



# Ethical Leadership Requires Courage

## Courage Is Required for Ethical Leadership

Ethical leaders are not popular; they make tough decisions.

They resist undue influence, political pressure, and corrupt networks.

They lead with **moral courage**, even when it affects alliances.

Courage leads to long-term respect and institutional stability.

## Professional Ethics



## Ethics-Driven Leadership Builds a Legacy

Leaders who anchor their leadership in ethics and accountability:

- Leave stronger institutions
- Empower future generations
- Improve service delivery outcomes
- Restore pride in the public sector
- Build a sustainable society where citizens believe in government again

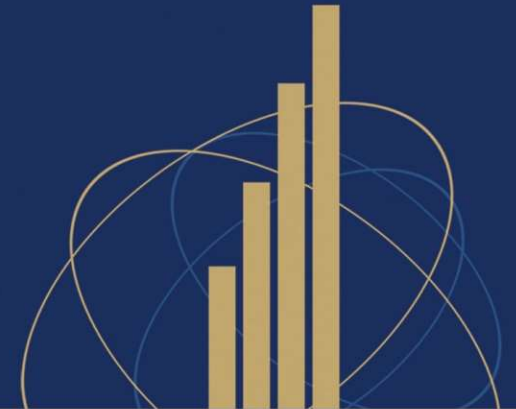


## 1 Peter 5:2-3

***Be shepherds of God's flock that is under your care, watching over them—not because you must, but because you are willing, as God wants you to be; not pursuing dishonest gain, but eager to serve; not lording it over those entrusted to you, but being examples to the flock.***



# Thank You!



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