

# Fight corruption

Money is a very important issue in the democratic movement. Unlike many other democratic organisations, one of COSATU's principles is paid-up membership. Representation in COSATU structures is on the basis of each unions paid-up membership only. COSATU money is the members money.

COSATU policy is to work to be self-sufficient financially. This year almost 30% of COSATU's budget is from COSATU workers. COSATU News will look at various aspects of our finances on this page. Cosatu Accounts Department, together with the Administration Training Project (ATP), are running seminars on finances for union administrators and treasurers. This article draws on some of the major points made in the introduction to the seminars.

Some unions are very poor. They hardly have the means to pay for the things needed in a campaign. Others have a lot of money, especially if their membership is big. All unions are getting funds from overseas. Sometimes a lot of money comes from international funding.

In order to be sure that money is good (and not bad) for our organisation, we must be clear on:

- a) Where we get our funds from?
- b) How we use our funds?

The strongest way is to raise money from our members through subscriptions and, sometimes, levies. But money from members is often not enough to run our offices, pay our full-time workers and run all our campaigns. If we are using money from overseas we must be sure:

- That we have full information on who our funders are.
- That those who give us money respect our principles and policies. We must be sure they

are not giving us money to push their own policies on us, but to help and support us. COSATU's policy is that we take overseas money only from national trade union movements that respect our policies.

If money does not build organisation, then it is being misused. How we use funds is guided by the aims and objectives of our organisation. Decisions about money are important political decisions. They can't be left to one person. They must be taken in, and approved by, the most important structures of the organisation. If we do not use money effectively, we are being

irresponsible and wasteful with money. This can happen because of poor planning, lack of control on spending and lack of accountability.

Funds are abused when the organisation's money is not used for organisational work, but for personal use. This is stealing. It can take different forms. Comrades claiming expenses when they have no right to. Using a hired car when they could get a lift or use public transport. Keeping the hired car for longer than necessary.

The second kind of abuse is when money is used for organisational work for which they have no mandate. Or if an account is not given. Whenever money is spent, there must be a proper report back on why and how the money was spent. There must also be receipts or invoices. If funds are not used for the organisation it is a crime against the workers. If funds are used for struggle work, but without authority and accountability, this is also a crime. Both are corruption. Both must be rooted out of any democratic organisation.

How can we avoid misuse of funds?

1. Through a code of conduct that builds discipline, commitment, reliability and accountability among leadership and members.
2. Through building strong structures that control the use of funds (e.g. national exec, regional/branch committees and local committees which check on why and how money is spent).
3. Through a clear policy that has been fully discussed by membership.
4. Through proper procedures for requesting money.
5. Through proper procedures for giving reports and accounts.
6. Through proper discussion of financial reports.

## Structures must control finances



**Organise paid-up membership!**