

LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
ECONOMIC DEVELOPMENT, ENVIRONMENT & TOURISM

ETHICS STRATEGY, PROCEDURES AND IMPLEMENTATION PLAN

2018

Ethics Strategy, Procedures and Implementation Plan
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A ETHICS STRATEGY

A1. INTRODUCTION

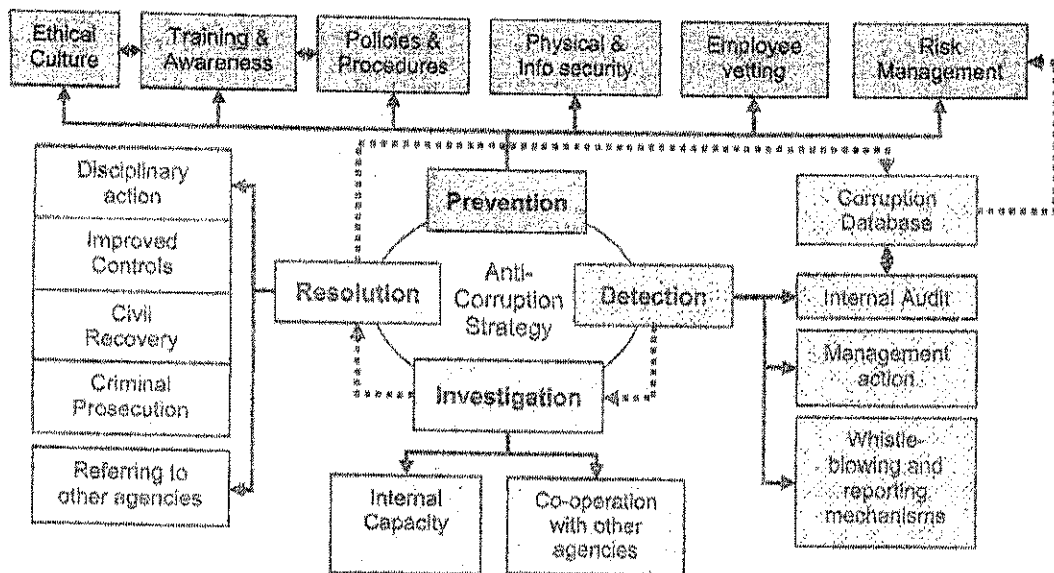
LEDET's Ethics Strategy forms an essential part of the departmental Ethics Policy. The Strategy incorporates principles contained in Chapter 2 of the Public Service Regulations, 2016 on:

- (a) Code of Conduct;
- (b) Financial Disclosures and;
- (c) Anti-Corruption.

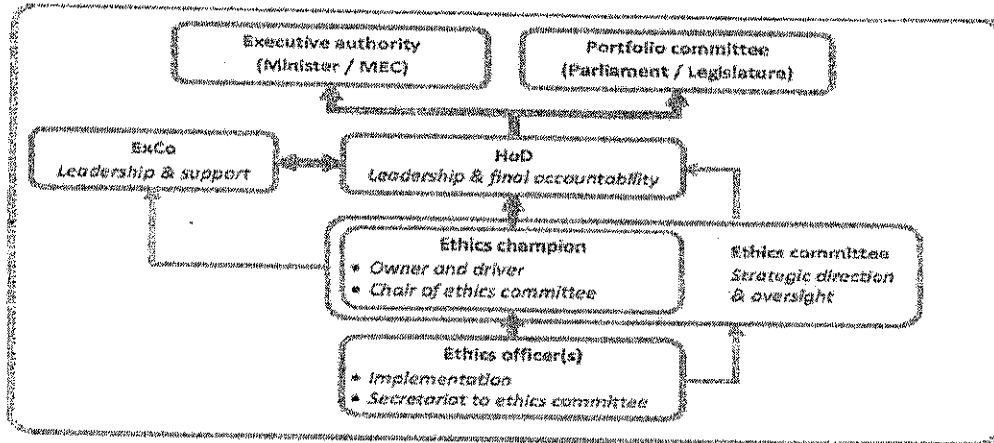
A2. PURPOSE AND OBJECTIVES

The Ethics Strategy serves as an implementation tool of the departmental Ethics Policy and explains related processes in more detail. The objectives of the Strategy are to prevent, detect, investigate and resolve fraud, theft, corruption and unethical behaviour.

A3. PROCESS FLOW: ETHICS FUNCTIONS:

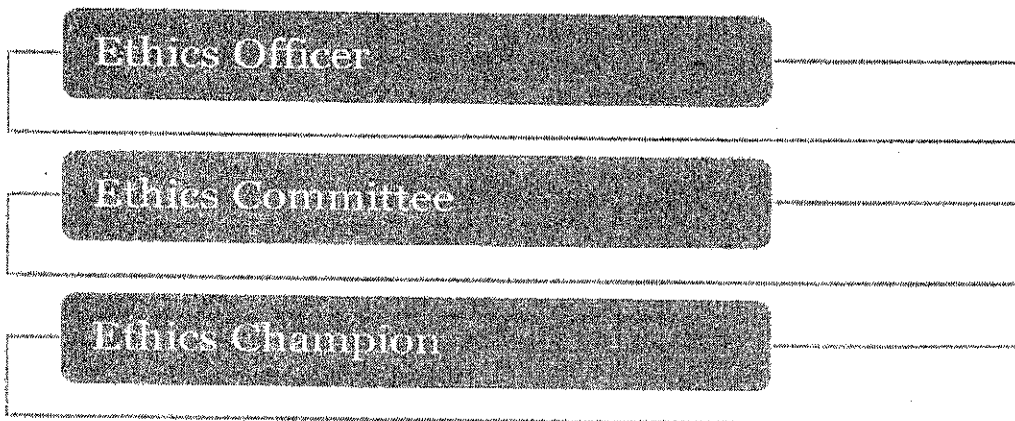


A4. ETHICS INFRASTRUCTURE:



A5. KEY COMPONENTS OF THE ETHICS INFRASTRUCTURE:

A5.1 Schematic diagram of ethics infrastructure:



A5.2 Designation of ethics officers:

LEDET appointed Ethics Officers as prescribed by the Public Service Regulations.

A5.3 Ethics office:

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LEDET established a dedicated Ethics office that functions from the sub directorate: Investigation Services. Officials attached to said sub directorate are *ex officio* the Ethic Officers of the Department. Main functions of the Ethics office include:

- (a) promotes ethics and integrity in the Department,
- (b) advises male and female employees on ethical matters,
- (c) identifies and reports unethical behaviour (as well as corrupt activities) to the Head of Department,
- (d) manages conflicts of interest,
- (e) coordinates and facilitates financial disclosures of designated male and female employees,
- (f) coordinates and facilitates applications for other remunerative work,
- (g) develops and conducts awareness programmes and;
- (h) keeps a register of all male and female employees under investigation;

Note that the Directorate: Employee Relations, keeps a database of those disciplined for said conduct.

A5.4 Ethics committee:

The Committee meets on a quarterly basis and provides oversight on ethics management in the Department. The Committee also monitors all male and female employees under investigation and those disciplined for unethical conduct. The Ethics Committee is chaired by the Chief Risk Officer of the Department.

A5.5 Ethics champion:

LEDET acknowledges the Chief Risk Officer to be the Ethics Champion of the Department.

A5.6 Duties of the Ethics Champion include:

- (a) strong advocating and drive of the ethics cause in the Department;
- (b) driving the Department's ethics management programme and ensuring that it retains momentum;
- (c) ensuring the co-ordination and integration of the Department's ethics initiatives;
- (d) ensuring that procedures are in place to investigate misconduct; and
- (e) elevating significant ethics issues to the HoD.

A6. CODE OF CONDUCT

A6.1 Gifts versus bribes:

- (a) Note that there is a thin line, but also a clear difference, between a gift and a bribe. In other words, not all gifts are bribes;
- (b) A bribe is a gratification prohibited in terms of the Prevention and Combatting of Corrupt Activities Act, 2004 (PRECCA). Such gratification is defined as money, donation, gift, loan, avoidance of a loss, status, employment, payment of a loan, etc.
- (c) On the other hand, a gift in the course and scope of an employee's employment can be accepted on condition approval is obtained from the Executive Authority. Such a gift need to be recorded in the department's gift register;
- (d) Note that male and female employees do not need approval from the Executive Authority on gifts received with a cumulative value below R350 per year;
- (e) It's also important to note that gifts are dangerous in the sense that it creates an expectancy that the official will return the favour, in future;
- (f) In line with PRECCA, the Public Service Regulations prohibit male and female employees to solicit or accept any gratification from any male or female employee or any male or female person in return for performing or not performing his or her official duties;

A6.2 Conflict of interest:

- (a) Male or female employee's need to put the interest of the public first in the execution of his or her official duties and shall not abuse his or her position in the public service to promote or prejudice the interest of any political party or interest group;
- (b) Male or female employees shall also not engage in any transaction or action that is in conflict with or infringes on the execution of his or her official duties;
- (c) This also implies that male or female employees have to recuse themselves from any official action or decision-making process which may result in improper personal gain, and such shall immediately and properly be declared by the employee;
- (d) It furthermore requires male or female employees to refrain from favouring relatives and friends in work-related activities and not to abuse their

authority, influence another employee, nor be influenced to abuse their authority.

A6.3 Remunerative work outside Public Service (RWOPS):

- (a) In terms of the Public Service Act, 1994 no male or female employee shall perform or engage himself or herself to perform remunerative work outside his or her employment in the relevant department, except with the written permission of the Executive Authority of the department.
- (b) Male or female employees who obtain permission to perform outside remunerative work are not allowed to perform such work during official working hours or to use official equipment or state resources for such work.
- (c) An application by male or female employees to perform remunerative work outside his or her department shall be in accordance with the process and in the form determined by the Minister.

A6.4 Application process: RWOPS:

- (a) An applying male or female employee completes the prescribed form and submits it to his or her supervisor for recommendation. Thereafter the application must be submitted to the Ethic Office who makes recommendations and submits it to the Executive Authority for consideration.
- (b) When not approved, the Executive Authority indicates the reasons in writing and when approved, the Executive Authority issues a certificate confirming the approval.
- (c) The Ethic Office ensures confidentiality and needs to ensure that the application is finalised within a 30-day period and that the applicant is notified of the outcome within said period.
- (d) Permission to perform other remunerative work terminates with transfers and internal re-assignments.
- (e) Applicants need to re-apply for authority to conduct RWOPS every financial year and also need to attach the certificate when annually disclosing their financial interests.
- (f) New recruits need to be informed of these requirements during induction workshops.

A6.5 Doing business with an organ of state:

- (a) No male or female employee shall conduct business with an organ of state or be a director of a public or private company conducting business with an organ of state, unless such employee is in an official capacity a director of a company listed in schedule 2 and 3 of the Public Finance Management Act.
- (b) As from 01 Feb. 2017, all affected employees should have ceased conducting business with an organ of the state or should have resigned as an employee of the Public Service.

A6.6 Unethical conduct: general:

- (a) No male or female employee shall consume alcoholic beverages or any other non-medical substance, with an intoxicating effect while on duty, nor report on duty under such influence;
- (b) Male or female employees are not allowed to misrepresent himself or herself or use the name or position of any other employee or person to unduly or improperly influence any decision making process or obtain any undue benefit.

A7 FINANCIAL DISCLOSURES:

- (a) The objective by the DPSA on financial disclosures is to manage conflicts of interests by designated officials and to ensure accountability.
- (b) According to the PSR 2016, categories of employees can be instructed to disclose their financial interests. At this stage DPSA classify the following categories of employees as designated officials that need to disclose their financial interests:

A7.1 Schedule on categories of designated officials and timeframes:

Categories of employees	Period when employees need to disclose	Period by when disclosure must be verified
SMS officials	01-30 April	31 May
Employees earning an equivalent of salary level 13 and above through OSD.	01-30 June	31 July

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A7.2	Employees appointed at salary level 12 including employees earning the equivalent of salary level 12 through OSD.	01-30 June	31 July
	Employees who are authorised by the Minister, EA, HOD or the Chairperson of the PSC for purposes of record keeping and the effective implementation of the Part 2 of Chapter 2 of the PSR, 2016	01-30 June	31 July
	Employees appointed at salary level 11 including employees earning the equivalent of salary level 11 through OSD.	01-31 July	30 Aug.
	Employees in Supply Chain Management and Finance Units irrespective of their salary level	01-31 July	30 Aug.
	New employees appointed in the above categories	Up to 30 days after assumption of duty	Up to 30 days after disclosure

Details to be disclosed:

- (a) *Shares*: is a unit of ownership in a public corporation. Those who disclose on shares need to differentiate between ordinary shares and preferential shares and also need to exclude financial interest arising from investment in a mutual, pension or other institutional investment fund e.g. insurance policies and unit trusts, stokvels or any other form of informal grouping where members contribute periodically for whatever purpose.
- (b) *Equity*: is a stock or ownership representing ownership interest in a private company (a share in a private company).
- (c) *Loans*: only long-term personal loans (exceeding 12 months) need to be declared excluding vehicle finance, bonds, retail and credit card debt.
- (d) *Other financial interests*: include royalties, a payment to an owner for the use of his/her assets (including property) e.g. published books, patents, franchises, rental income, and recorded music.
- (e) *Directorship / partnership*: a director is elected, appointed or elected member a board whilst a partnership is a legal form of business operation between two or more individuals who contractually share and profits. This includes consultancy companies, companies dealing with property development or rental, trucking or any other transport company.
- (f) *Type of business*: activities which the company is undertaking with its operations e.g. cleaning, security, construction, transport, etc.

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- (g) *Consultancy*: refers to the provision of professional services or expert advice to an organisation and receiving remuneration for such e.g. an accountant or tax advisor.
- (h) *Retainership*: is a form of employment where a person is available for advice and / or providing services to an organisation on a retainer basis e.g. lawyers. Retainership services are somehow pre-booked and could be required within short notice. A monthly or annual fee is paid to secure such services. A consultant provides professional expertise or advice on a specified contractual period.
- (i) *Trust*: is a contractual arrangement that allows a third party (trustee) to hold assets on behalf of a beneficiary. Participation in a trust includes a trustee, founder, or beneficiary. Some trusts are registered as companies and should be disclose under directorship / partnership. Trusts are registered with Master of High Court given a reference number. That number and the region in which the trust is registered need to be disclosed.
- (j) *General*: if remuneration is received for (directorship /partnership), consultancy / retainership, and being a trustee, approval for other remunerative work is necessary.
- (k) *Other activities include*: members of audit committees or any other committee, lecturers, tutors, pastoral work, and professionals doing work outside their departments. This list is not exhaustive. Proof of approval should be uploaded on e-disclosure system. A beneficiary of a trust has "other financial interests" need not apply for other remunerative work.
- (l) *Income-generating assets*: assets which provides income e.g. a property, vehicles, machinery, and sound systems.
- (m) *Sponsorship*: receiving support (wholly or partly), in cash/kind from another individual, company or any other organisation (sponsor) for your own benefit or for benefit of immediate family members e.g. trips, school fee, conferences, etc.
- (n) *Gifts and hospitality*: gifts or hospitality received as a form of common courtesy while on duty. This excludes loyalty points, conference packs or gifts / hospitality received from the employer (while attending functions organised by the employer).

A7.3 Transgressions: disclosures:

Designated officials who fail to disclose on time, submit incomplete disclosures,

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submit false or inaccurate information make themselves guilty of misconduct and need to be succumbed to the Disciplinary Code and Procedures for the Public Service.

A7.4 Access to disclosed information:

No person who has access to a submitted form may, except when a court so orders, disclose any information in that form to anyone.

A8 **COMBATTING OF CORRUPTION AND RELATED CONDUCT:**

A8.1 Capacity to combat corruption:

(a) In line with the Public Service Regulations 2016, LEDET is committed in maintaining the necessary capacity to prevent, detect, investigate and resolve acts of unethical conduct and corruption.

(b) The sub directorate: Investigation Services were assigned to carry out this mandate and the HOD jointly and separately appoints the following internal investigators (placed at the sub directorate: Investigation Services) to conduct all internal investigations, as defined by Chapter 2 of the Public Service Regulations, 2016:

- Deputy Director: Investigation Services: Mr. E.L. Herholdt;
- Assistant Director: Investigation Services: Ms. K.S. Maepa;
- Assistant Director: Investigation Services: Mr. T.M. Lekoloane;
- Assistant Director: Investigation Services: Mr. P.D. Senyatsi;
- Assistant Director: Investigation Services: Mr. M.E. Legodi.

(c) Note that above investigations include the investigation of Whistle blowing reports.

A8.2 Basic principles; investigations:

(a) Any investigation instituted shall be conducted without regard of the suspected person's position, title or relationship with the Department while action taken will depend on the merits of the case;

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- (b) The matter may be investigated internally and/or referred to the South African Police Service or any other applicable law enforcement agency;

A8.3 Reporting obligation: unethical conduct:

Male or female employees shall immediately report internally and externally any fraud, theft, corruption, nepotism, maladministration and any other act which constitutes a contravention of any law (including, but not limited to a criminal offence) or which is prejudicial to the interest of the public, which comes to his or her attention during the course of his or her employment in the public service.

A8.4 Analysis: corruption tendencies:

- (a) LEDET continuously examines ethics and corruption risks. These analyses are essential when developing departmental programmes and policies.
- (b) LEDET also considers reports by the Auditor General, Internal Audit, Labour Relations and the Public Service Commission when analysing areas of vulnerability within the department.
- (c) Analysis findings are recorded in the Departmental Risk Register.

A8.5 Data base: reported cases

- (a) LEDET established an information system that records all reported allegations, including whistle blowing reports;
- (b) The data base of cases enables management to track progress on each and every allegation;
- (c) The database also reveals systemic weaknesses and recurring risks;
- (d) The data base is kept on both manual and electronic formats.

A8.6 Actions constituting fraud, theft and corruption

The following actions are viewed as constituting fraud, theft and corruption, but are not limited to:

- (a) forgery of any document in the department's paper trail;
- (b) misappropriation of funds, supplies or any other asset;
- (c) profiteering as a result of insider knowledge of departmental activities;
- (d) disclosing confidential and proprietary information to external parties;
- (e) accepting or seeking anything of material value or a benefit from any person providing a service to the Department; and

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- 29) If it became known that an investigator has a personal interest in an investigation, the investigator will be withdrawn and an independent investigator assigned to carry on with the investigation.

C. IMPLEMENTATION PLAN (ETHICS STRATEGY):

The Implementation Plan is attached as Annexure A.

D1 REVIEW

This Strategy shall be reviewed every 12 months.

D2 TERMINATION

This policy shall remain in force until it has been withdrawn or amended.

D3 ENQUIRIES

Enquiries regarding this policy shall be directed to the Chief Risk Officer.

D4 APPROVAL

Approved by:



HEAD OF DEPARTMENT: LEDET

28/09/2018

DATE