



LIMPOPO

PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
ECONOMIC DEVELOPMENT, ENVIROMENT & TOURISM

FRAUD & ETHICS POLICY

2020

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1. ACRONYMS

- LEDET:** Limpopo Department of Economic Development, Environment and Tourism
- DPSA :** Department of Public Service and Administration
- PFMA :** Public Finance Management Act
- SIS :** Security and Investigation Services
- HOD :** Head of Department
- RWOPS :** Remunerative Work Outside Public Service
- PSC :** Public Service Commission
- PRECCA:** Prevention and Combating of Corrupt Activities Act

2. DEFINITIONS

- 2.1 **“bribe”** means unlawful gratification in the form of, amongst other things: money, donation, gift, loan, avoidance of a loss, status, employment and payment of a loan;
- 2.2 **“company listed in Schedule 2 of the PFMA”** refers to Major Public Entities;
- 2.3 **“company listed in Schedule 3 of the PFMA”** refers to National Public Entities and National Government Business Enterprises;
- 2.4 **“corruption”** means the abuse of public resources or entrusted power for private gain or any dishonest or fraudulent conduct which involves bribery or any form of misuse of power;
- 2.5 **“designated officials”** mean male and female employees who form part of a specified category of officials and who annually need to disclose their financial interests;

- 2.6 “**ethics**” mean moral principles that govern a person's behaviour or the conducting of an activity;
- 2.7 “**fraud**” means unlawful and intentional making of a misrepresentation or any deceptive conduct which causes prejudice to the Department or any another person for personal gain or any form of advantage;
- 2.8 “**gift**” means a token given willingly to someone without payment;
- 2.9 “**integrity**” means quality of being honest and having strong moral principles;
- 2.10 “**occupational detriment**” means when a male or female employee is harassed, dismissed, transferred or denied promotion unfairly for exposing wrong doing through whistle blowing;
- 2.11 “**theft**” means an intentional appropriation of property which belongs to another with the aim to permanently depriving the person entitled to the possession of the property; and
- 2.12 “**unethical behaviour**” is an action that falls outside of what is considered morally right or proper in terms of the Code of Conduct of the Public Service.

3. INTRODUCTION

LEDET proactively promotes a culture of honesty and good governance, which in turn will lead to effective and efficient service delivery. This requires male and female employees to be professional, ethical and to perform their duties and tasks with integrity.

Unethical behaviour undermines service delivery, cripples' democracy, impedes economic growth and generates economic distortion by diverting resources away from critical services such as education, health care and others to areas where bribes and kickbacks are rive. It is widely acknowledged that to be successful in combating unethical conduct in any organisation, the tone and support should be set from the top of the organisation. Senior management of LEDET commits to a corporate ethos where unethical conduct will not be tolerated. The HOD is committed in allocating financial resources in achieving the goals specified in both the Ethics Policy and the Ethics Strategy.

4. PURPOSE AND OBJECTIVES

The purpose and objectives of this policy are as follows:

- 4.1 To establish an ethical culture where male and female employees will raise their voice against unethical conduct.
- 4.2 To ensure that all male and female employees are informed about the provisions of ethics as stipulated in the PSR.
- 4.3 To ensure that unethical conduct is reduced to its absolute minimum.

5. AUTHORITY OF THE POLICY

The policy is issued under the authority of the Member of Executive Council as the executive authority and the Head of Department as the accounting officer for LEDET.

6. LEGAL FRAMEWORK

- 6.1 The Constitution of South Africa, 1996.
- 6.2 Public Finance Management Act of 1999 as amended.
- 6.3 Promotion of Access to Information Act 2 of 2000.
- 6.4 Protected Disclosures Act 26 of 2000.

- 6.5 Prevention and Combating of Corrupt Activities Act 12 of 2003.
- 6.6 Treasury Regulations, 2003.
- 6.7 Public Service Regulations, 2016.
- 6.8 Promotion of Administrative Justice Act 3 of 2000.

7. SCOPE OF APPLICATION

This policy is applicable to all permanent and temporary male and female employees of LEDET. The policy further applies to consultants, contractors or any other person who is in a business relationship with the Department.

8. POLICY PRONOUNCEMENTS

The policy is designed to regulate the Ethics and Integrity provisions specified in chapter 2 of the Public Service Regulations, 2016 viz: Code of Conduct, Financial Disclosures and Anti-Corruption. Note that the PSR incorporates the principles of the former Minimum Anti-Corruption Capacity Requirements of the Public Service.

8.1. ROLES AND RESPONSIBILITIES

8.1.1 The HOD delegated the Ethics functions mentioned in the PSR to the sub - directorate: Investigation Services to serve as the Ethics Office of the Department.

8.1.2 The duties of the Ethics Office entail the following:

- a) Promotes ethics and integrity in the department.
- b) Advises male and female employees on ethical matters.
- c) Identifies and report unethical behaviour and corrupt activities to the HOD.
- d) Manages conflicts of interest reports.
- e) Manages financial disclosures by designated male and female employees.
- f) Manages applications for RWOPS.

- g) Develops and implements awareness programmes on ethics.
- h) Keeps a register of all male and female employees under investigation.
- i) Investigates all reported unethical conduct and whistle blowing reports.
- j) Keeps and monitors a departmental gift register.

8.1.3 The Directorate: Employee Relations is responsible for keeping a register of those disciplined on charges of unethical conduct;

8.1.4 The Department appointed an Ethics Committee to be chaired by the Chief Risk Officer. The roles of the Ethics Committee are as follows:

- a) To provide oversight on ethics management.
- b) To monitor all male and female employees under investigation on charges of unethical misconduct and those disciplined for unethical conduct.

8.1.5 The Chief Risk Officer serves as the Ethics Champion of the Department and his duties include the following:

- a) Advocates the ethics principles in the Department.
- b) Drives the Department's ethics management programme and ensures that it retains momentum.
- c) Ensures that procedures are in place to investigate unethical behaviour; and
- d) Elevates significant ethics issues to the HOD.

8.1.6 The Directorate: Risk Management has the following responsibilities:

- a) Examines ethics and corruption risks as part of the Department's risk management system.
- b) List tendencies of unethical behaviour into the Department's Risk Register.
- c) Coordinates mitigation of risks.

8.2 CODE OF CONDUCT

8.2.1 The Code of Conduct in the Public Service provides the following regarding male and female employees' behaviour in the workplace:

- a) Adherence to the Constitution and other laws;
- b) Sound relationship with the public;
- c) Ethical conduct and;
- d) Professional execution of duties.

8.2.2 Gifts:

No male or female employee shall receive or accept any gift from any person in the course and scope of his or her employment, (other than from a family member), to the cumulative value of R350 per year, unless prior approval is obtained from the HOD.

8.2.3 Conflict of interest:

- a) Male and female employees need to put public interest first in the execution of their official duties and are obliged to recuse themselves from any official action or decision-making process which may result in improper personal gain;
- b) Male and female employees need to refrain from favouring relatives and friends in work-related activities and from abusing their authority.

8.2.4 Other remunerative work outside the Public Service (RWOPS):

- a) No male or female employee shall perform remunerative work outside his or her employment, except with the written permission of the HOD;

- b) A male or female employee will if he or she has permission to perform remunerative work, not perform such work during official working hours and also not use official equipment or state resources for such work;
- c) An application to perform RWOPS will be in accordance with the process determined by the DPSA.
- d) When adjudicating an application, the HOD shall take into account whether or not the outside work could reasonably be expected to interfere with or impede the effective or efficient performance of the male or female employee's functions.

8.2.5 Doing business with organ of state:

- a) No male or female employee shall conduct business with any organ of state, unless such employee is in an official capacity a director of a company listed in schedule 2 and/or 3 of the PFMA;
- b) As from 01 February 2017, all male and female employees that are doing business with an organ of the state should have ceased conducting business or should have resigned as an employee of the Public Service.

8.2.6 Reporting obligation: unethical conduct:

Male and female employees shall immediately report to the HOD any fraud, corruption, nepotism, maladministration or any other criminal activities which come to their attention during the course of their employment at the Department.

8.2.7 Unethical behaviour:

- a) Male and female employees are not allowed to consume alcoholic beverages or any other non-medical substance with an intoxicating effect while on duty, nor report for duty under such influence.

- b) Male and female employees are not allowed to misrepresent themselves 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.

8.3 FINANCIAL DISCLOSURE:

- 8.3.1 Financial disclosures identify and manage conflict of interest situations for designated male and female employees and ensure transparency and accountability.
- 8.3.2 Categories of designated male and female employees that annually need to declare their financial interests are from time to time publicised by the DPSA.
- 8.3.3 Designated male and female employees who fail to disclose on time, submit incomplete disclosures, submit false or inaccurate information make themselves guilty of misconduct.
- 8.3.4 No male or female person who has access to a submitted form may, except when a court so orders, disclose any information in that form to anyone.

8.4 ANTI-CORRUPTION

8.4.1 Database on cases received:

- a) LEDET established an information system that records all reported allegations, including whistle blowing reports which is available in both manual as well as electronic formats.
- b) The database enables management to track progress on cases received and; to identify systemic weaknesses and recurring risks.

8.4.2 Whistle blowing:

- a) The Department encourages a culture of openness and is committed to the principles, goals and ideals described in the Department's mission, vision and core values that are designed to deal with concerns raised in relation to fraud, theft, corruption, unethical conduct and any other related unlawful activities within the Department.
- b) LEDET encourages male and female employees and members of the public to report crimes and unethical conduct.
- c) Any male and female employee who has a reasonable belief that fraud, theft, corruption, unethical conduct and related unlawful activities have occurred or will occur in the work environment may raise a concern.
- d) Disclosures must be made without malice and in good faith with the reasonable believe that the information and allegations made are substantially true and that the disclosure is not made for personal gain, excluding rewards payable in terms of the law.
- e) Where matters are raised by male and female employees that are clearly unfounded and malicious, disciplinary action will be considered against the whistle blower.
- f) All cases will be handled on a confidential basis and the identity of the whistle blower will be protected.
- g) Reporting can be done verbally or in writing or by any other communication channel available.

- h) Whistle blowers who issue their contact details will be provided with verbal feedback during and on conclusion of investigation.
- i) Contact details for whistle blowing reports are as follows:
 - National Anti-Corruption Hotline - **0800 701 701**
 - Director: SIS - **071 106 2333 / 015-293 8645**

8.4.3 Capacity to combat Corruption:

- a) The sub-directorate: Investigation Services has been delegated to investigate all reported allegations on fraud, theft, corruption and any unethical conduct.
- b) LEDET recognises that it is important to treat male and female employees who are suspected of wrongful conduct with caution as they may subsequently be found to be innocent.
- c) Any investigation action instituted will 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.
- d) Investigations are to be done without interference from management and investigation reports are to be submitted directly to the HOD.
- e) When conducting an investigation, internal investigators will have free and unrestricted access to all departmental records.
- f) If upon completion of an internal investigation it is found that there is reason to believe that a male or female employee has transgressed the disciplinary code and procedures of the Public Service, such an employee will be impeached accordingly.

- a) If it is found that there is reason to believe that a case under investigation constitutes a criminal offence, the matter will be referred to the relevant law enforcement agency for further handling.

9. PERSONAL NOTE BY ACCOUNTING OFFICER

The Accounting Officer is committed towards maintaining the highest possible standards on ethics, integrity and accountability. In line with this the Accounting Officer shall endeavour to combat fraud and corruption.

10. DEFAULT

Male and female employees who fail to comply with the provisions of this policy shall be dealt with in terms of the Public Service Disciplinary Code and Procedures.

11. INCEPTION DATE

The inception date of this policy is 30 (thirty) days after approval by the Head of the Department.

12. REVIEW

This policy shall be reviewed every 36 (thirty-six) months.

13. TERMINATION

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

14. ENQUIRIES

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

15. APPROVAL

Approved by:



HEAD OF DEPARTMENT: LEDET

22/01/2020

DATE