



## **INTERGRITY MANAGEMENT POLICY**

**POLICY REGISTRATION NO: 2024-08**

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## DEFINITIONS AND TERMS

1.	<b>Accounting officer</b>	Means the Accounting Officer of a Department or Provincial Government in terms of Public Finance Management Act No 1 of 1999 as amended.
2.	<b>Code of conduct</b>	means the Code of Conduct contained in chapter 2 of the Public Service Regulations
3.	<b>Department</b>	The Eastern Cape Department of Social Development
4.	<b>Employees</b>	means an official of Government Department including National and Provincial Government
5.	<b>Executive authority</b>	Member of the Executive Council (MEC) who is the Political Head of the Department.
6.	<b>Family member</b>	In relation to any person, means employee's parent, sister, brother, child, or spouse including: (a) A life partners. (b) Any other relative who resides permanently with that person
7.	<b>Public service act</b>	means the Public Service Act, 1994 (Proclamation 103 published in Government Gazette 15791 of 3 June 1994) as amended
8.	<b>Remunerative work</b>	has its ordinary meaning to include "earning money or rewards, gainfully and money-making" and "work" has its ordinary meaning that includes "something that one is doing, making or performing a duty or task"
9.	<b>Public interest</b>	means the public's interest to see and/ or perceive transparent, clean and corruption free
10.	<b>Public service regulations</b>	Mean the Public Service Regulations, approved in 2016. (The Minister is permitted in terms of section 41(3) of the Public Service Amendment Act, 2007 to elucidate or supplement any regulation by way of directive)
11.	<b>Senior Management Services member</b>	Senior Management Service as contained in Chapter 9 of the Public Service Regulations 2016
12.	<b>Supply management chain employee</b>	An employee employed in Supply Management Unit irrespective of their salary level.
13.	<b>Occupational Specific Dispensation</b>	Occupation Specific Dispensation determined by the Minister in terms of Regulation 42 of PSR 2016 which includes:  (a) A unique salary scale

		<p>(b) Centrally determined grades and job descriptions; and</p> <p>(c) Career progression opportunities based on competences, experience and performance.</p>
14.	<b>Finance official</b>	An employee employed in finance unit irrespective of their salary level.
15.	<b>Trade</b>	means conducting business with the Government, including, but not limited to the provisioning of goods and services and the submission of tenders and/or quotations for the provisioning of goods and service
16.	<b>King VI</b>	The King Code Corporate Governance for South Africa
17.	<b>Director</b>	Is the member of the Board of Directors of a company/Non-Profit Organization
18.	<b>Board of Director</b>	Is the collective of directors (non-executive and executive directors) that services on the Board.
19.	<b>Company</b>	Any entity that engages in business
20.	<b>Ex-officio member</b>	Is the member of the board of directors who is part of it by virtue of holding another office.
21.	<b>Non-remunerative and part-time activity</b>	Any activity performed by an employee without receiving/gaining remuneration and performed adhoc and seasonal. The employee must only be reimbursed costs incurred.
22.	<b>Ethics</b>	Means how an employee ought to live, treat others, make decisions, run, or manage the lives of the organisations beyond the demands of laws and regulations i.e. doing the right thing.
23.	<b>Financial disclosure</b>	Means electronic disclosure of financial interest and other categories of employees as stipulated in Public Service Regulation, 2016

#### ACRONYM

<b>DPSA</b>	Department of Public Services and Administration
<b>PFMA</b>	Public Finance Management Act
<b>PSR</b>	Public Service Regulations 2016
<b>SMS</b>	Senior Management Services
<b>MMS</b>	Middle Management Services
<b>NPO</b>	Non-Profit Organisation
<b>MEC</b>	Member of Executive Committee
<b>EO</b>	Ethics Officer
<b>OSD</b>	Occupational Specific Dispensation
<b>PSC</b>	Public Service Commission
<b>SCM</b>	Supply Chain Management

## LEGISLATIVE FRAMEWORK

- i. Constitution of Republic of South Africa
- ii. Public Finance Management Act
- iii. Public Services Regulations 2016,
- iv. National Treasury Instruction note 2 dated 31 May 2011
- v. Public Service Act, Section 30
- vi. The Prevention and Combating of Corrupt Activities Act, No 12 of 2004
- vii. King IV Report
- viii. Code of Conduct for Public Service Officials
- ix. Companies act 71 of 2008
- x. Public Administration Management Act of 2014
- xi. National Practice Note 7 of 2009 and 2010



## 1. PREAMBLE

1.1. The Department of Public Services and Administration has issued a Code of Conduct to enforce ethical behavior of all employees in the public service. The Code of Conduct stipulates the expected behavior of officials serving in government. During 2016/2017 Financial year, the Department of Public Services and Administration issued new Public Services Regulation 2016 that regulates employees in conducting business with the organ of state and performing remunerative work outside employment.

1.2. Section 38(1)(a) of the Public Finance Management Act (PFMA), states that the Accounting Officer must ensure that the department has and maintains effective, efficient and transparent systems of financial, risk management, and internal control.

1.3. Public Service Regulations, 2016 requires the Accounting Officer of the Department to, analyze ethics and corruption risks as part of the department's system of risk management and develop and implement an ethics management strategy that prevents and deters unethical conduct and acts of corruption

1.4. Also King IV on Corporate Governance emphasis the following best practice on the promotion of ethical culture in an organization:

1.4.1. Principle 1: The governing body should lead **ethically and efficiently**.

1.4.2. Principle 2: The governing body should **govern the ethics of the organisation** in a way that supports establishment of ethical culture.

1.4.3. Principle 11: The governing body should **govern risk** in a way that supports the organisation in setting and achieving its strategic goals.

1.4.4. Paragraph 13 of King IV: The governing body should govern compliance with applicable laws and adopted ,non-binding rules, codes and standards in a way that supports the organisation being ethical and good corporate citizen.



## **2. PURPOSE**

The purpose of this policy is to set an ethical standard for conduct of employees in the Department and to assist all Departmental Stakeholders with their ethical deliberations, choices, decision and conduct.

## **3. OBJECTIVES**

- (a) To promote ethical behaviour of all employees in the Department.
- (b) To regulate remunerative work outside employment in such a way that the values and principles enshrined in the Constitution are not compromised.
- (c) To regulate Financial Disclosures of SMS members, MMS and other categories of employees as prescribed by Public Regulations, 2016.
- (d) To further regulate the acceptance of gifts by officials in line with existing Acts and relevant Regulations.
- (e) Provide for regular reporting on the compliance with and implementation of relevant legislative and policy provision.
- (f) Provide for consequences for non-implementation or non-compliance with the relevant legislative and policy provision.

## **4. SCOPE OF APPLICABILITY**

This policy is applicable to all employees of the Department of Social Development and this policy must be read in conjunction with different professional bodies of code of conduct relevant in the department {South African Council for Social Service Professional, Institute of Internal Auditor South Africa etc.}

## **5. PRINCIPLES AND VALUES**

Section 195 (a) subsection 1(a)(i) of the Constitution of the Republic of South Africa requires that administration of the Department of Social Development must be governed by the democratic values and principles enshrined in the Constitution, including the following principle:

- (a) A high standard of professional ethics must be promoted and maintained.
- (b) Economic, efficient and effective use of resources must be promoted
- (c) Public administration must be development- orientated.
- (d) Service must be provided impartially, fairly, equitable and without bias.
- (e) People's needs must be responded to, and the public must be encouraged to participate in policy-making.

## **6. POLICY STATEMENT**

The Department of Social Development enforce highly ethical standards to all employees in the Department. These ethical behaviour standards stipulated in this policy must be adhered by all employees in the Department of Social Development.

### **6.1. Prohibition on trade by employees with organ of the state**

- (a) No officials of the Department as a person, a director, a shareholder or a partner or ex-officio member of company/NPO may trade, do business with, or enter into a contract with any organ of state whilst in the employ of the state.
- (b) No officials of the Department as a person, a director, a shareholder or a partner of business, may tender or quote to provide any goods or services to any organ of state whilst in the employ of the state.
- (c) No company, with Director/Ex-officio Member that is employed by the state may be registered in the supplier database of any organ of state.
- (d) Officials are prohibited to be Directors of any company that may trade with the state.

### **6.2. Disregard of bids and quotations**

6.2.1. The Department must, in the public interest, and to ensure compliance with this policy, the Public Service Regulations 2016 and Code of Conduct for public services officials, refuse to trade with an entity in which an employee, or a family member of an employee, has financial or operational interest.

6.2.2. The Accounting Officer may disregard a bid or quotation if that bidder, or business submitting a quotation, or any of its directors is an employee, or a family member of an employee of the Department and employee failed to declare that a family member of him or her, or a business, company or entity in which a family member has an interest, trade with an organ of state, or tender or quotes for the provision of goods and services to an organ of state.

### **6.3. Prohibition of employees on Social, Printed and Visual media**

- (a) Department of Social Development officials are prohibited to post/comment negatively on social, printed and visual media about the matters of the Department unless he/she has been duly authorised by relevant authority to do so.
- (b) This policy should be read in conjunction with other Departmental policies such as, Communication Policy, Information Technology Policy, and Human Resource Policy etc.



#### **6.4. Performing remunerative work outside employment**

- 6.4.1.** No employee may perform remunerative work outside his/her employment in relevant Department; unless a written permission to perform such work has been obtained from the Executive Authority (MEC).

In terms of the Code of Conduct, an employee who does remunerative work outside employment without approval –

- (a) Does not put the public interest first in execution of his or her duties
- (b) Does not serve the public in an unbiased and impartial manner
- (c) Might engage in transaction or action that is in conflict with or infringes on execution of his or her official duties

**6.4.2. Application for permission to perform remunerative work outside employment.**

An employee intending to perform remunerative work outside his or her employment must, prior to performing such work submit a written request for permission to the Executive Authority. The DPSA's developed form must be utilised for application. **[Form attached as ANNEXURE A]**

The form entails the following information:

- (a) Name and PERSAL number
- (b) Employee's official job title
- (c) Employee's key performance areas
- (d) A clear description of outside work or business interest including areas of business.
- (e) The nature and extent of any adverse financial, operational, and other circumstances for the state, the employee concerned or members of the public if permission is not granted.
- (f) If work performed will amount to conflict of interest in relation to the constitutional mandate or programme of the Department.
- (g) Any current or potential performance of remunerative work outside his or her employment.

**6.4.1. The Executive Authority of the Department may not grant written permission if:**

- (a) Remunerative work outside employment could reasonably be expected to interfere with or impede the effective or efficient performance of the employee's functions in the department;
- (b) The remunerative work outside employment would constitute a contravention of the code of conduct;
- (c) The employee has access to confidential information which may be abused in the process of outside work;

- (d) Activities will be conducted within work hours; or
- (e) Departmental resources other than personal tools of trade will be used for such outside interest.

The Executive Authority must advise the Ethics Officer in terms of the status of the application within 30 days and an applicant will be advised accordingly by Ethics Officer, and if no response from Executive Authority after 30 days the application is deemed approved. The decision of the Executive Authority shall be final.

The Executive Authority may delegate this function to the HOD however the delegation must be in writing.

#### **6.5. Non- remunerative and part-time activity performed by employees.**

- (a) An official who wishes to perform a non-remunerative activity must declare such activity in a prescribed format and signed by the supervisor and approved by the Ethics Officer.

#### **6.6. Declaration by new employees of existing trade with an organ of state:**

- a) An employee who joins the Public services and trades with an organ of state or has an interest in a business, company or entity that trades with an organ of state must, within 30 days of accepting appointment, declare in writing to the Accounting officer of the Department:
  - (i) That he/she, or a business, company or entity in which he or she has an interest, trades with an organ of state;
  - (ii) Particulars of such trade; and
  - (iii) The value of such trade
- b) After such disclosure, the newly appointed employee must within 60 days:
  - (i) Ceases conducting business with an organ of state, resign as a director of a company that conduct business with an organ of state or resign as an employee.
  - (ii) Submit proof to the departments Ethics Officer that, the employee has ceased conducting business or has resigned as a director of a company that conducts business with an organ of the state or resigned as an employee of the state.

An employee who trades with the organ of state, acts in contravention of the provisions of the PSR regulations 2016 and is guilty of misconduct.

#### **6.7. Family member's interest**

An employee whose family member, or a business, company or entity in which family member has an interest or trade with an organ of state or has an interest in a business, company or entity that trades with an organ of state must, declare in writing to the Ethics Officer the following:

- (a) That his or her family member, or a business, company or entity in which a family member has an interest, trades with an organ of states and
- (b) Particulars of such trade

**The attached form as ANNEXURE B must be utilized to declare family members' interest.**

#### **6.8. Gifts**

An employee must not use his or her official position to obtain private gifts or benefits for his or herself in relation to performance of his or her official duties and/or whilst performing his or her official duties. Employees are only allowed to accept gifts, accumulative to R350.00 per financial year of the Department (01 April – 31 March ) After an employee has received a gift must sign a gift disclosure form and submit the gift disclosure form to the supervisors for approval. The gift disclosure form must be submitted to risk management directorate within five days after it has been approved by the supervisor, to register the gift in the Departmental Gift Register.

Employee are prohibited to receive/obtaining gifts in relation to performing their duties which are above R350.00 in cash or in value. Employee must be mindful of Section 1 of the PRECCA.

All other gifts that are received in the department which are acceptable must be registered in the gift register.

#### **6.9. Donations**

All donations are acceptable to the department and must come via the office of the HOD in the provincial office and District Directors in Districts. Such donations from Districts must be registered and submitted to the office of HOD.

#### **6.10. Financial disclosure**

##### **6.10.1 SMS and other Categories of employees**

The Accounting Officer/ Head of Department must ensure that all the categories stipulated below as per Public Service Regulation, 2016, must submit their financial disclosures in a DPSA website E-Disclosure link before or on the due date:

- (a) SMS members 1-30 April of the year in question
- (b) OSD/ personal notches (level 13 & above) 1-30 June of the year in question
- (c) Level 11- 12 (including OSD/personal notches) 1-30 June of the year in question.
- (d) Level 9 – 10 officials by 31 July each year in question.
- (e) Ethics / PSC officials 1-30 June of the year in question
- (f) All Supply Chain and Finance officials irrespective of their salary level 1-31 July of the year in question.
- (g) New employees in all categories 30 days after assumption of duty.
- (h) And any other category that is prescribed on time to time by the Minister.

Nonadherence to financial disclosure constitutes misconduct by the officials.

### **6.10.2. Verification of Financial Interest**

Verifications of financial interests submitted by officials are to be verified by Ethics Officers at the end of the month following the disclosure of financial interests per category and submitted to the accounting officer. The Accounting Officer then submits the report to Public Service Commission.

### **6.10.3 Supply chain management requirements**

6.10.3.1 The Accounting Officer of Social Development must ensure that:

- (a) The Department comply fully with the National Treasury Instruction Note 2 of 2011;
- (b) All necessary action is taken in the event of non-compliance;
- (c) No bid or quotation is awarded or accepted, unless a completed form (SBD 4) "Declaration of interest" is submitted with a bid or quote; and
- (d) The Department comply fully with Provincial Treasury Circular, ECSCM Circular 11 of 2009/10: Declaration of Interest – Amendment and Augmentation of Standard Bidding Document (SBD 4) relating to the signing of Code of Conduct by SCM Practitioners, Completing of Confidentiality and Declarations of Interest Forms by SCM Practitioners and Bid Committee Members and the vetting of SCM practitioners and Bid Committee Members, including any further amendments of augmentation thereof.

6.10.3.2 An employee must recuse herself or himself from any official action or decision making process which may result in improper personal gain and must declare the situation immediately in writing to Head of department.

6.10.3.3 The Accounting officer must develop a system which verifies that employees who resigned from the Department are not partners, directors or employees of business whom tenders are awarded and whether such official was involved in the tender process. This is for a period of 12 (twelve months) after the employee has resigned from the Department (cooling period).

### **6.11. Establishment of an ethics committee**

The Head of Department shall establish an ethics committee or designate an existing committee, chaired by Deputy Director-General to:

- a. Provide strategic advice, direction, and oversight on ethics management of the department.
- b. Ensure that the department's ethics risks are assessed, and that the department has an understanding on their ethics risk profile.
- c. Approve a strategy and plan for the management of ethics in the department!
- d. Ensure that the department's code of ethics and relevant policies, are developed or revised to address ethics risks.



## **7. ETHICS IMPLEMENTATION PLAN AND ASSESSMENT**

- (a) The Ethics Officer shall develop an Ethic Implementation Plan that is aligned with ethics risk assessment of the Department. This plan must be submitted to the Risk, Ethic & Anti-Corruption Committee for recommendation and approval by the Accounting Officer. The plan must be reviewed annually.

## **8. REPORTING**

- (a) The Ethics Officer shall report on a quarterly basis to the established Risk, Ethics & Anti-Corruption Committee on ethics related matters according to this policy

## **9. APPROVING AUTHORITY**

The Head of Department will recommend this policy to MEC for approval and the Executive Authority shall be responsible for the approval of this policy.

## **10. ADMINISTRATION OF THE POLICY**

The Accounting Officer together with Risk Management & Anti-Corruption unit shall be responsible for the admiration of this policy.

## **11. ACCOUNTABILITIES AND RESPONSIBILITIES**

### **11.1. Executive Authority**

- a. The MEC shall be accountable to the legislature and the executive in terms of the achievement of the goals and objectives of the Department. As Ethics Management is an important management tool to support the achievement of this goal, it is important that the MEC must provide strategic political leadership as to governance and ethics management.
- b. By virtue of being involved in accounting officer's recruitment processes, The Executive Authority has a major role in defining what it expects in integrity and ethical values and can confirm its expectations through oversight activities.

### **11.2. Accounting Officer**

- a. More than any other individual, the Accounting Officer sets the tone at the high strategic level that affects integrity and ethics and other factors of the control environment.
- b. Accounting Officer shall be legally accountable for Department's ethics management obligations, responsible for and must assume "ownership" for Departmental ethics management.
- c. The Accounting Officer must ensure that the responsibility for ethics management vests at all levels of management and that it is not only limited to the Accounting Officer.
- d. It is the responsibility of the Accounting Officer to appoint Chief Ethics Officer.

### **11.3. Audit Committee**

The Audit Committee shall be responsible for providing the Accounting Officer with independent counsel, advice and direction in respect of ethics management.

### **11.4. Risk, Ethics & Anti – Corruption Committee**

- a. The committee shall be formally appointed in writing by the Accounting Officer. Members must possess skills, expertise and knowledge of the Department, including familiarity with the concepts, principles and practice of ethics management.
- b. The committee shall be responsible for assisting the Accounting Officer addressing his/her oversight requirements of ethics management and evaluating and monitoring the Department's performance with regards to ethics management. The role of the committee is to formulate, promote and review the Department's ethics management objectives, strategy and policy and monitor the process at all applicable levels.

### **11.5. Ethics Officer**

- a. Develop ethics management policy and strategy that prevents and deters unethical conduct and acts of corruption.
- b. Analyse ethics risks in the department and maintain ethic risk register thereof.
- c. Establish a system that encourages and allows employees and citizens to report allegations of unethical conduct.
- d. Ensure timeous disclosure of financial interest of Senior Management Services officials and other categories of employees as determined by DPSA.
- e. Monitor implementation of Ethic Management Plan quarterly.

### **11.6. Internal Audit Services**

The responsibility of Internal Audit on Ethics Management is to "Evaluate the Ethical Culture of the Department against the set standards or policies and report accordingly".

### **11.7. Departmental Employees**

- a. Ethics management shall be the responsibility of everyone in the Department.
- b. Employees shall be responsible for communicating ethics such as non-compliance with acceptable behaviour outlined in applicable laws, regulations, policies etc.

## **12. APPROVING AUTHORITY**

Head of Department will recommend this policy to MEC for approval and the MEC shall be responsible for the approval of this policy

## **13. EFFECTIVE DATE OF THE POLICY**

This policy shall be effective from the date of approval by the executive authority



#### 14. PROCEDURES FOR IMPLEMENTATION

- a) Conduct ethic risk assessment
- b) Develop ethics implementation plan
- c) Maintain gift register

#### 15. MONITORING MECHANISM

Reporting on ethics register and implementation plan.

#### 13. REVIEW OF THE POLICY

This policy will be reviewed after three (3) years and whenever a need arises e.g. change in legislation, new directives or national mandates had been given.

#### 16. POLICY RECOMMENDATION & APPROVAL

**RECOMMENDED / NOT RECOMMENDED**

  
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**MR. M. MACHEMBA**

**Head of Department**

**Dept. of Social Development**

  
\_\_\_\_\_

**Date**

**APPROVED/ NOT APPROVED**

  
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**MS. B. FANTA**

**Member of Executive Council**

**Dept. Of Social Development**

  
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**Date**