EASTERN CAPE DEPARTMENT OF SOCIAL DEVELOPMENT

**Ethics and Anti-Corruption Strategy
2025 - 2029**

Eastern Cape Department of Social Development
Ethics and Anti-Corruption Strategy

Eastern Cape Department of Social Development
Ethics and Anti-Corruption Strategy

ABBREVIATIONS

Abbreviation	Description
ECDSD	Eastern Cape Department of Social Development
PFMA	Public Finance Management Act
NT	National Treasury
HOD	Head of Department
AC	Audit Committee
CRO	Chief Risk Officer
CAE	Chief Audit Executive
AG	Auditor General
FPP	Fraud Prevention Plan
IAA	Internal Audit Activity
NACS	National Anti-Corruption Strategy 2020- 2030
PSR	Public Services Regulation 2016
FATF	Financial Action Task Force
NDP	National Development Plan
MACC	Minimum Anti-Corruption Capacity requirements
NSG	National School of Government

Eastern Cape Department of Social Development
Ethics and Anti-Corruption Strategy

DEFINITIONS OF TERMS

No.	Terms	Definition
1.	**Accounting Officer**	The Head of department as defined in the Public Service Act.
2	**Assurance Function**	These are functions rendered by Internal & External Audit.
3.	**Audit Committee**	An independent committee constituted to review the control, governance, and risk management within the Department, established in terms of section 77 of the Public Finance Management Act.
4.	**Chief Risk Officer**	A senior official who is the head of the risk management unit.
6.	**CONTROL**	The means used to manage a risk. A policy, procedure, device, system, communication, or other action that acts to reduce likelihood and impact of risk in departmental objectives and/or to ensure compliance with the law.
6.	**Fraud**	Refer to Certified in Risk and Information Systems Control. CRISC is a sponsored certification by ISACA who is in turn, endorsed by DPSA through Corporate Governance of ICT Policy Framework.
7.	**Department**	Refers to the Eastern Cape Department of Social Development
8.	**Executive Authority**	The Member of the Executive Council of a department who is accountable to Provincial Legislature for that department.
9.	**Corruption**	This is the potential magnitude of the impact on the department's objective, should the risk occur. This must be assessed on the basis that management has no specific controls in place of addressing the risk, i.e., without any controls in place, what will the impact of this risk be on the department?
10.	**Ethics**	The exposure arising from risk factors in the absence of deliberate management intervention(s) or internal control. It is considered a raw risk.
11.	**Other Official**	An official other than the Accounting Officer/MEC, SMS members, CRO, and his/her staff.
12.	**Risk and Anti-Corruption Management Committee**	A committee appointed by the Accounting Officer/Authority to review the Institution's system of risk management.
13.	**Sanction**	A threatened penalty for disobeying a law or rule in the department.

Eastern Cape Department of Social Development
Ethics and Anti-Corruption Strategy

1. BACKGROUND

a) A National Anti-Corruption Strategy (NACS) 2020-2030 was developed against the backdrop of numerous judicial commissions of inquiry, instituted since 2018 and aimed at uncovering wrongdoing, including wide-ranging acts of fraud and corruption across the country and in the public service.

b) Evidence presented at these proceedings pointed to a critical failure by government to ensure the integrity of its staff and systems, or how to curb fraud and corruption in the government system.

c) The grey listing by Financial Action Task Force (FATF) in 2023 due to deficiencies in South Africa's anti-money laundering and counter-terrorist financing indicates the level of fraud and corruption in the country.

d) The NACS vision statement is carried out to the National Development Plan vision of a "Corrupt free society" which is being implemented through the National Priority 1 outlined in the Medium - Terms Strategic Framework of building a "Capable, Ethical and Development State."

e) As a result, the NACS was built around six (6) strategic pillars that support the achievement of the NDP vision and National Priority 1 pillars as outlined above. Each pillar comprises of and is supported by several specific programmes.

f) In developing a solid response to the NACS, the Department of Social Development adopts the six strategic pillars that are developed nationally and zero tolerance approach to fraud and corruption in the Department into Ethics and Anti-Corruption Strategy of the Department.

g) The strategy is dynamic, and it will continuously evolve as the Department of Social Development makes changes and improvements in its drive to promote ethics, good governance, and effectively fight fraud and corruption.

2. PURPOSE

The purpose of this strategy is to articulate the mechanisms that will be implemented by the Department of Social Development to promote ethical culture and effectively curb fraud, corruption, and maladministration vigorously and within legal limits available.

3. SCOPE OF APPLICABILITY

The strategy covers all areas of business and activities executed at all offices by all the officials employed by the Department of Social Development and service providers contracted by it, including the Non-Profit Organisations and Community Based Organisations that the department is funding. This strategy is superseding previous strategies used.

4. LEGAL FRAMEWORK

The following legislation and guiding documents were considered during the development of this strategy:

a) The Constitution of the Republic of South Africa No. 108 of 1996
b) National Anti-Corruption Strategy for 2020-2030
c) Public Service Act, Act 103 of 1994, as amended by the Public Service Amendment Act, Act 30 of 2007, and its regulations as published since 199 Public Service Act of 1994

d) Public Administration Management Act, Act 11 of 2014
e) Promotion of Access to Information Act, Act 2 of 2000, as amended.
f) Promotion of Administrative Justice Act, Act 3 of 2000
g) Preferential Procurement Policy Framework Act, Act 5 of 2000
h) Public Finance Management Act 1 of 1999
i) National Treasury regulations, 2005
j) Public Service Regulations, 2016
k) Prevention and Combating of Corrupt Activities Act no:12 of 2004,
l) The Protected Disclosures Act, Act 26 of 2000, as amended.
m) King IV report on Corporate Governance.
n) All DPSA Guides and Determination from PAEIDTAU
o) Ethics Reporting Handbook by the Ethics Institute
p) Ethics Office Handbook by the Ethics Institute
q) Minimum Anti-Corruption Capacity Requirements
r) The Financial Intelligence Centre Act No. 38 of 2001
s) Criminal Procedure Act No. 51 of 1997 as amended.
t) Prevention of Organized Crime Act No.12 of 2004
u) Public Service Code of Conduct
v) Batho Pele Principles
w) ISO 37001 – Anti-bribery management system

5. VISION OF ECDSD ETHICS AND ANTI-COORUPTION STRATEGY

i. Ethical, accountable, honest, and transparent department, business, and society sectors in which those in position of power and authority act with integrity always.

ii. Zero tolerance fraud and corruption to all activities of the department.

6. ETHICS OFFICE AND ANTI-CORRUPTION UNIT STRUCTURE

The Department of Social Development has established a Directorate that champions ethical management and anti-corruption processes in the department. The Chief Risk officer heads the unit that reports directly to the Head of Department. The Organisational Structure below depicts staff complement to the Directorate:
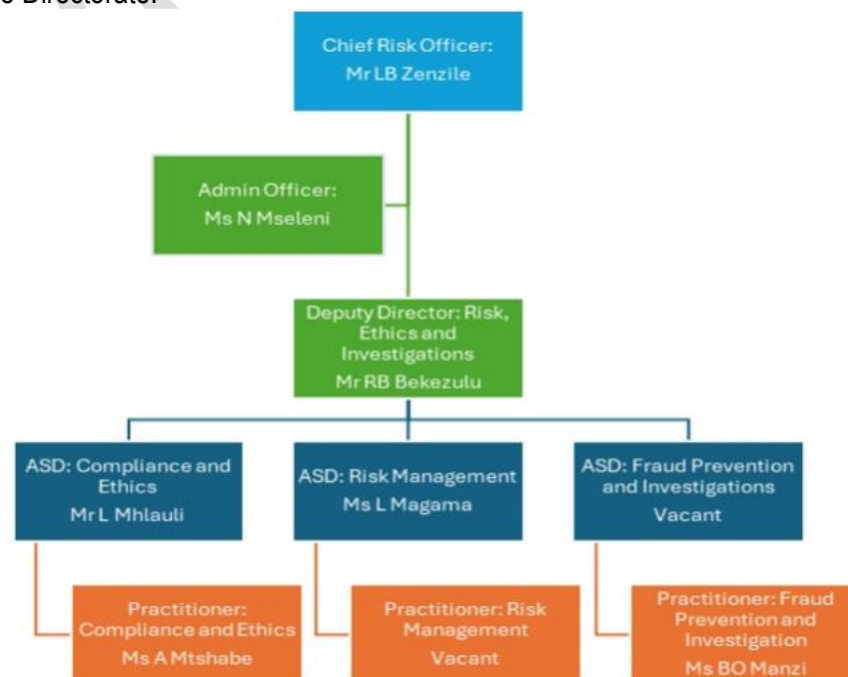
7. STRATEGIC PILLARS ADOPTED

6.1. Promote and encourage active citizenry, whistleblowing, integrity, and transparency in the Department and society.

6.2. Advanced professionalization of departmental employees to optimise their contribution to create a corrupt free workplace.

6.3. Enhance governance, oversight, and consequence management in the department.

6.4. Improve the integrity and credibility of the department's procurement systems.

6.5. Strengthen the resourcing, coordination, performance, accountability and independence of dedicated ethics office and anti-corruption unit.

6.6. Protect vulnerable units, sections and entities that are most prone to corruption and unethical practices with effective and robust risk management processes.

8. Ethics and Fraud Risk Profile of the Department
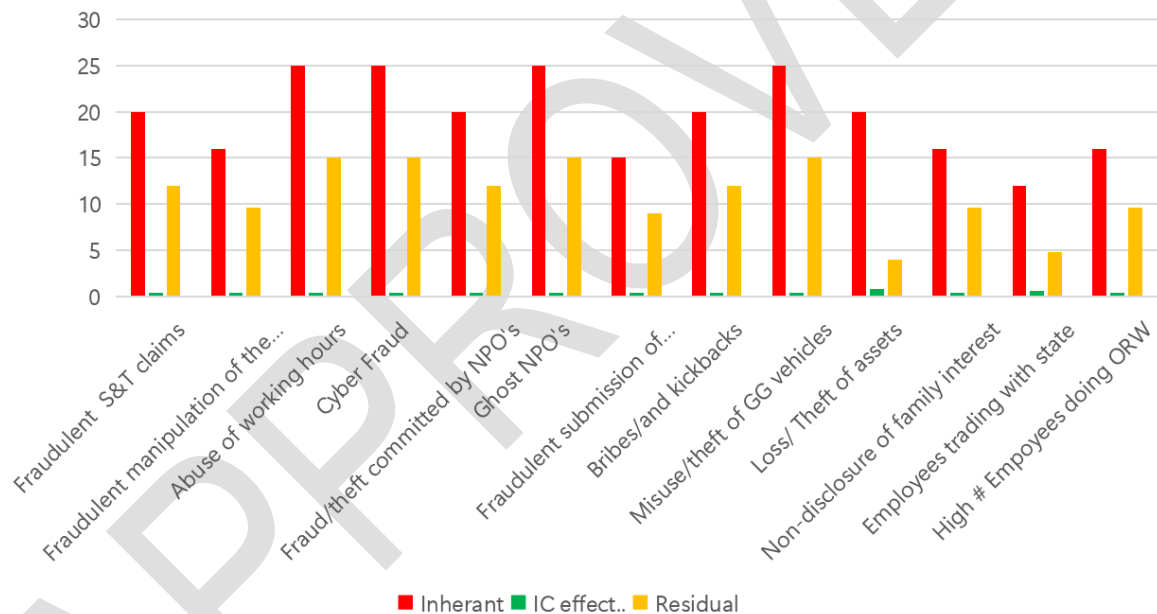
- The ethics and fraud risks depicted by the chart above must be addressed by the Department.

9. IMPLEMENTATION PLAN AND TIME FRAMES

No.	Strategic Pillar	Action	Time Frame***
1.	Promote and encourage active citizenry, whistleblowing, integrity, and transparency in the Department and society.	Review and update whistle blowing policy to improve protection and support whistleblowers	Medium Term
		Capacitate the whistleblowing mechanisms through established DSD hotline and create web-based reporting.	Short Terms
		Conduct educational awareness and training both to officials, NPOs, CBOs. (Covering Ethics, Code of Conduct and Batho Pele principles and relevant legislation)	Immediate Terms
		Conduct ethical awareness to civil society through participation to IACD	Immediate Term
		Participating in Supplier Day events to conduct education campaigns	Short Term
		Provide Training to labour relation officials on mechanisms in place to protect whistleblowers and support whistleblowing	Immediate Term
		Communicate successes on fighting fraud, corruption and misconduct in departmental newsletter e.g. arrests/convictions, misconduct sanctions	Ongoing
		Issue guidelines on protection of whistleblowers	Immediate Term
2.	Advanced professionalization of departmental employees to optimise their contribution to create a corrupt free workplace.	Enroll all SMS members and other officials on NSG online course for Ethics in the Public Services.	Immediate Terms
		Collaborate with HRD to roll out compulsory online courses at NSG.	Short Term
		Conduct audit of departmental officials undergone CIP and ensure those that left behind are registered for CIP.	Short Terms
		Specialized training and development for the professions in the anti-corruption unit.	Medium Term

Eastern Cape Department of Social Development
Ethics and Anti-Corruption Strategy

3.	Enhance governance, oversight, and consequence management in the department.	Improve and enhance ethical leadership in the department through enrolling SMS members to the Executive program for SA government officials offered by NSG.	Medium Term
		Enroll all SMS officials and MMS departmental officials for online course on Ethics in the Public in the Public Service	Immediate Term
		Refresher course oversight structures in terms of their responsibilities	Immediate Term
		Capacitate Labour Relation of the Provincial Office and within Districts	Medium Term
4.	Improve the integrity and credibility of the department's procurement systems.	All SCM and procuring officials disclose their financial interest and sign code of conduct for SCM officials	Immediate Term
		Information on blacklisted and/or restricted companies and individuals found guilty of fraud/corruption and those that perform poorly in the execution of their contracts with the state is easily accessible and up to date.	Immediate Term
		All SMS and SCM officials enroll for compulsory training for SCM in the public service through NSG.	Short Term
5.	Strengthen the resourcing, coordination, performance, accountability and independence of dedicated ethics office and anti-corruption unit.	Resources the investigation unit to improve effectiveness and efficiency, through staffing (Implementation of OTP guide in terms of MACC), sufficient budget, Data analysis software and other resources.	Medium Term
		Ethics officers and Investigators affiliate to professional bodies	Short Term
6.	Protect vulnerable units, sections and entities that are most prone to corruption and unethical practices with effective and robust risk management processes.	Regular Fraud and Ethics risk assessments conducted for SCM, NPO Management, Human Resources, Expenditure Management	Immediate Term
		Regular Internal Audit conducted to this section and our spot audit checks conducted in these areas	Ongoing

Eastern Cape Department of Social Development
Ethics and Anti-Corruption Strategy

		Lifestyle audit on officials placed in these sections.	Long term

A more detailed plan for immediate-term action is prepared separately in the Anti-Corruption and Ethics Implementation Plan.

***The time frame is refence below:*

Terms	*Description*
Immediate Term	*Period from the approval of the strategy up to 31 March 2026*
Short Term	*Period from 01 April 2026 – 31 March 2027*
Medium Term	*Period from 01 April 2027 – 31 March 2028*
Long Term	*Period from 01 April 2028 – 31 March 2029.*

10. ETHICS AND FRAUD MANAGEMENT PROCESS

    a)   The department is implementing four components to manage fraud and improve ethical culture in the department.

    b)   These components interconnect with other functions within the department to collectively combine efforts in curbing fraud and corruption.

    c)   The process is illustrated below with a diagram:
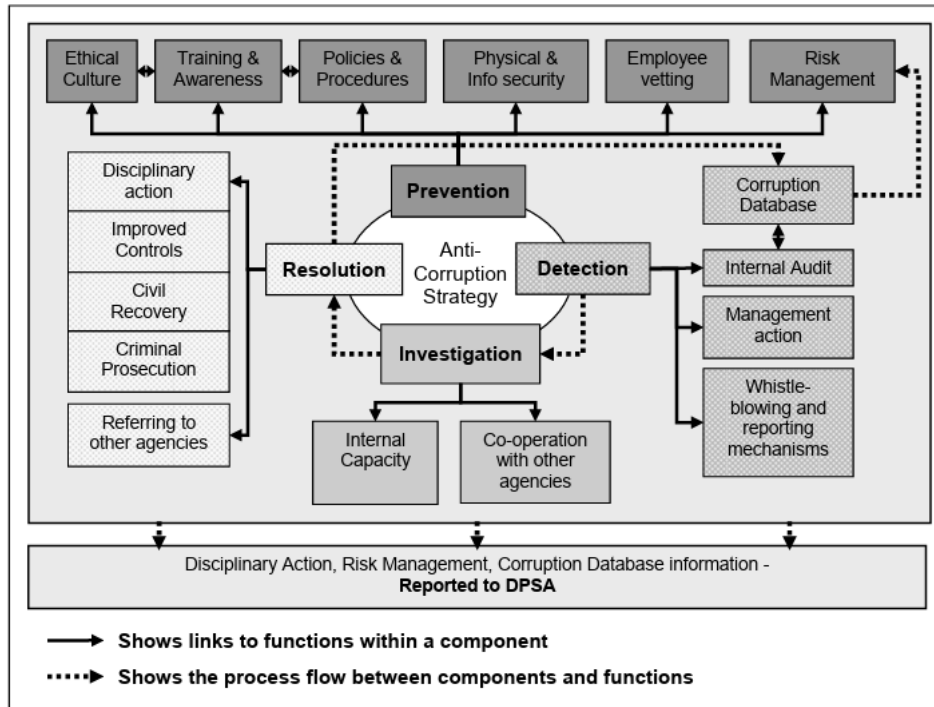
Source: DPSA Minimum Anti-Corruption Capacity requirements document

10.1 **Preventing Component -** Prevention is better than cure - particularly when it comes to corruption. Preventing corruption costs far less than investigating it, holding disciplinary inquiries, and taking cases to court. It is also good governance practice to focus on maintaining high standards of organisational ethics and managing potential risks in a proactive manner. Prevention measures are made up of the following:

- *Ethical Organisational Culture*
  Ethical culture is crucial for success of the anti-corruption strategy. The department must develop organisational values that every member of the department will abide with and follow. Leadership and management must lead from the top and be an exemplary to create a good culture.

- *Policies, procedure, and internal controls*
  An ethical organisational culture does not only depend on value statements. For values to change the way things are done in the department, its policies and procedures must reflect these values. Every policy, strategy, system, process, procedure, and control must be aligned to create an ethical culture. This applies to every operational and support function, like HR, finances, procurement, operations, and internal audit.

- *Training and awareness*
  Develop training programmes for employees on corruption risk, how to report corruption / unethical behaviour. Inform employees of their protection when they have raised concern and ways of reporting fraud and corruption.

- *Physical and Information security*
  Securing the department's physical assets and information deserves attention. Not only does it prevent corruption, but it also symbolizes the department's commitment to looking after its own. The department will establish adequate and effective controls to safeguard physical assets people and information security. E.g., Protecting department against Cyber Crime.

- *Verifying qualification and Employee Vetting*
  The qualifications of all staff must be verified. This is usually part of the pre-employment screening process and is the responsibility of the HR unit. The honesty and integrity of employees determine the integrity of the department, therefore vetting became crucial. All employees in senior positions, and employees in these units: ORM, Internal Audit. HR, HOD, SCM and MEC must undergo vetting with the National Intelligence Agency or Military Intelligence. Security Management must champion this exercise and report regularly.

- *Corruption risk management program*
  Corruption risk must be assessed regularly and emerging risk identified and assessed. The department will maintain an Ethics and Fraud risk register and on a Quartely basis monitor the progress on management those risks by management.

10.2 Detection Component

- Developing a system and policies that encourage employees, clients, and the public in general to report corruption (Whistleblowing and reporting mechanisms
- Establish department ethics and fraud hotline and create a web-based reporting channel.
- The department's internal audit function must play a proactive role in the detection of corruption.
- Develop a Corruption Database in place. (Investigation register maintained)

.

10.3 Investigation Component

- When corruption, fraud and misconduct have been detected through any of the detection mechanisms, investigation inevitably must follow.
- A clearly defined investigation process must be followed to conduct the investigation.
- There must be a clear, short communication channel between the Accounting Officer and the Head of Investigations to ensure that there is no chance of interference in the flow of information or investigations.

10.4 Resolution Component

- If corrupt cases are not successfully resolved, all the effort you have made to investigate components will have gone to waste.
- Besides demoralizing for the rest of the anti-corruption components, it also sets a bad precedent if the resolution component fails. People with corrupt intent will not be deterred if they know that they will get off lightly.
- The department to evaluate its capacity to resolve cases successfully and timeously.
- In addition to criminal prosecution, the department must explore the following as well; Disciplinary action, Improving internal controls and Recovery of losses.
- When there is no internal capacity to investigate a particular case because of its complexity, department must refer the case to other law enforcement agencies as listed under Appendixes to this strategy.

11. ROLES AND RESPONSIBILITIES FOR ETHICS AND FRAUD MANAGEMENT

11.1 Executive Authority (MEC)

11.1.1 In the case of fraud and corruption incidents committed and Financial Misconduct prescribed in section 4 of Treasury Regulations, the Executive Authority shall ensure that:
   a) An investigation is initiated.
   b) If allegations are confirmed, a disciplinary hearing is held in accordance with the relevant prescripts and agreements applicable in public services.

11.1.2 Regulation 23(1) of the Public Service Regulations of 2016 requires the Executive of authority to designate such number of Ethics Officers as may be appropriate in the Department to: promote integrity and ethical behaviour.
   a) advise employees on ethical matters.
   b) promote integrity and ethical behaviour.
   c) identify and report unethical behaviour and corrupt activities to the head of department.
   d) manage the financial disclosure system.
   e) manage the processes and systems relating to remunerative work performed by employees outside their employment.

11.2 Head of Department

11.2.1 Regulation 22 of the Public Service Regulations of 2016 requires the Accounting Officer to:

   a) analyses ethics and corruption risks as part of the department's system of risk management.

   b) develop and implement an ethics management strategy that prevents and deters unethical conduct and acts of

   corruption.

   c) establish a system that encourages and allows employees and citizens to

   report allegations of corruption and other unethical conduct, and such

   system shall provide.

   (i)   confidentiality of reporting; and

   (ii) the recording of all allegations of corruption and unethical conduct received through the system or systems.

   d) establish an information system that—

   (i)   records all allegations of corruption and unethical conduct.

   (ii) monitors the management of the allegations of corruption and unethical conduct.

   (iii) identifies any systemic weaknesses and recurring risks; and

   (iv) maintain records of the outcomes of allegations of corruption and unethical conduct.

   e) Refer allegations of corruption to the relevant law enforcement agency and

   investigate whether disciplinary steps must be taken against any employee

   of the department and if so, institute such disciplinary action.

11.2.2   Regulation 23(2) of the Public Service Regulations of 2016 also requires the

   Accounting Office to establish an ethics committee or designate an existing

   committee, chaired by a Deputy Director-General, to provide oversight on ethics

management in the department.

11.2.3   The Accounting Officer must ensure that where an official is alleged to have committed fraud, corruption or financial misconduct conduct, that an investigation is conducted, and if confirmed, that a disciplinary hearing is held in accordance with the relevant prescript and agreements applicable in the Public Service such investigation is instituted within 30 days from the date of discovery of the alleged financial misconduct.

11.2.4   The Accounting Officer must inform the executive authority, the relevant treasury, DPSA and the Public Service Commission of the outcome of any criminal proceedings against any person for financial misconduct in terms of section 86 of the PFMA.

11.2.5   The Accounting Officer must, on an annual basis, submit to the relevant Treasury, and the Auditor General a schedule of:

(i)   The outcome of any disciplinary proceedings and/or criminal charges

(ii)   The names and ranks of officials involved,

(iii)   The sanctions and any further actions taken against these officials.

11.3   Audit Committee
a)   Audit Committee is an independent committee constituted to review the controls, governance, risk, and ethics management within the Department as established in terms of section 77 of the Public Finance Management Act (PFMA).
b)   The National Treasury Guidelines on the role of Audit Committee in respect of fraud and corruption include satisfying itself that it has appropriately addressed the following areas:
(i)   financial reporting risks, including the risk of fraud.
(ii)   internal financial controls; and
(iii)   Reviews the process implemented by management in respect of fraud prevention and ensures that all fraud related incidents have been followed up appropriately.

11.4   Risk and Anti-Corruption Management Committee
11.4.1   The mandate of the Risk and Anti-Corruption Management Committee is to provide oversight on ethics management in the department regarding the effective implementation of the phases mentioned per the above clauses. In so doing, the Committee has a responsibility to monitor, intervene and report on implementation of ethics and Anti-Corruption functions.

11.4.2   It is important for the committee to monitor the implementation of ethics and Anti-Corruption functions in the department as contemplated in Regulation 22 and 23 on Chapter 2 of the PSR, 2016.

11.4.3   The Chair of the Committee shall consult on a regular basis with the Top Management and the chairs of other committees (AC & ICT Governance Committees) of the department to ensure consistent application of the ethics policies across the governance processes.

11.4.4   The Committee shall ensure that all ethics and anti-corruption functions are fully

implemented and facilitate the availability of necessary resources to that effect, including human and financial resources.

11.4.5 Asses the capacity of the ethics and anti-corruption custodianship and departmental ethics risks: The committee should ensure that a proper audit of custodianship and the ethical risks facing the department is conducted. The report on the capacity audit and its recommendations should be discussed at the Committee meeting for further actions. The Committee should priorities implementation of certain or all the recommendations from the assessment

11.4.6 Meet regularly to provide the strategic direction to the Ethics Management programme: On a quarterly basis or as and when necessary, the Committee should meet to provide strategic directions to all aspects within its mandate at each of its meetings in terms of its role stipulated by the Committee's Terms of Reference.

11.4.7 Mobilize resources for the implementation of the Ethics and Anti-Corruption programme: When the Ethics Office requires any necessary human, financial and other resources to fulfil its functions, it is the responsibility of the Committee to mobilize for the provision of the resources as required.

11.4.8 Communicate ethics and Anti-Corruption messages to the rest of the staff: It is necessary that from time to time, the Ethics Committee, collectively, communicate ethics related messages to the rest of the staff to encourage or discourage specific conducts. This is communication from the leadership point of view (i.e., Tone from the top), but the Ethics Office continues to be responsible for day-to-day communication responsibilities.

11.5 ICT Governance Committee
   a) The role of ICT Governance in relation to fraud prevention and detection is to provide expert guidance and strategic advice to ECDSD on how it should effectively deal with the risk of ICT fraud and innovative mechanisms to improve the ICT control environment.

11.6 Internal Audit
   b) Evaluate the effectiveness of fraud and corruption risks, and control measures.
   c) Advise management on the effectiveness of ethics and integrity management.
   d) Design additional steps in the audit programs to assist in detecting, and prevention of re-occurrence of similar incidents.

11.7 Organisational Risk Management
   e) Coordination and facilitation of the assessment of fraud, corruption & ethics risks.
   f) Analyzing and monitoring fraud and corruption risk as part of the Department's risk assessment; Investigating allegations of fraud, corruption, and unethical behaviour with due care and in compliance with all relevant legislation.
   g) Recommending and supporting disciplinary actions relating to fraud, corruption, and

unethical behaviour against officials.

h) Referring allegations of fraud and corruption to a relevant law enforcement agency or other appropriate agencies/bodies. In this regard, the Department will pursue a formal arrangement to ensure that the support of relevant law enforcement agencies is guaranteed.

i) Initiating and supporting criminal proceedings against employees, contractors and other parties involved in fraud and corruption.

j) Providing a detailed report once an investigation of a matter is finalized, who will then submit the report to HOD for approval.

k) Keeping a database on all investigations.

l) Creating and promoting ethical culture within the Department.

m) The CRO shall report quarterly to the AC & Risk and Anti-Corruption Committee on all fraud & corruption and unethical matters reported.

11.8   Management and Other officials

n) Managers are responsible for the prevention and detection of fraud and corruption and must report all incidents and allegations to the CRO.

o) When Management refers to cases for investigation, they must do il in writing, including all relevant information.

p) Where applicable, they must also include relevant documents, which may support the allegation.

q) Managers must ensure that risk assessments are conducted annually in their units and that agreed risk management plans are implemented.

r) Managers are responsible for ensuring the implementation of the approved recommendations of the internal, external auditors and forensic investigations, which include internal control deficiencies, disciplinary actions, referral for criminal and civil actions where necessary.

s) In respect of all reported incidents of fraud and corruption, management is required to immediately review, and where possible, improve the effectiveness of the controls, which have been breached to prevent similar irregularities from taking place in future.

t) Managers should ensure that all employees attend fraud & corruption related training, and that information is communicated to all employees for compliance and implementation.

u) It is the responsibility of all employees to report allegations or incidents of fraud and corruption and unethical conduct to their immediate managers, and or the CRO of the Department.

12. CONFIDENTIALITY

a) All information relating to fraud, corruption, and unethical conduct, which is received and investigated will be treated confidentially.

b) The progress of investigations will be managed in a confidential manner and will not be disclosed or discussed with any person(s) other than those who have a legitimate right to such information.

c) The above clauses are imperative to avoid harming the reputations of suspected persons who are subsequently found innocent of wrongful conduct.

d) No person is authorized to supply any information about allegations or incidents of fraud and corruption and unethical conduct to the media without the express permission of the HOD.

.

13. IMPROVING CAPACITY ANTI-CORRUPTION AND ETHICS OFFICERS

a) The Department should ensure that Anti-Fraud and Corruption practitioners are developed and capacitated in investigative and Anti-Corruption skills to enable them to

guide other departmental staff in preventative and detective measures.
b) Training shall be linked with the new Public Service Regulations provisions in Chapter 2 regarding legislated Anti-Corruption and Ethics Management functions.

14. PUBLICATION OF SANCTIONS
a) The outcomes of the investigations and disciplinary actions may be communicated and published in ECDSD newsletters.
b) Due to possible legal implications, the information to be published shall be decided under legal guidance.

15. STRATEGY REVIEW AND AMENDMENTS

a) This strategy shall be reviewed four years after the date of approval. However, relevance will be considered on a yearly basis if there are any new developments with the relevant prescribers and ethics and fraud environment.

16. RECOMMENDATIONS FOR APPROVAL

Developed by:

	25 April 2025
Mr. LB Zenzile (Chief Risk Officer)	**Date**

Recommended / ~~Not Recommended~~ by Chairperson on behalf of the Risk and Anti-Corruption:

	29 April 2025
Dr. S. Nyenyiso (Interim Chairperson)	**Date**

Approved /~~Not Approved~~

	29/04/2025
Mr. M Machemba	**Date**
Head of Department	