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Department:
Community Safety and Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

ANTI-CORRUPTION, ETHICS AND INTEGRITY MANAGEMENT POLICY

2025/2026

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1. GLOSSARY OF TERMS

#	TERMS	DEFINITIONS
1	Corruption	Any conduct or behavior where a person accepts agrees or offers any gratification for him/herself or for another person where the purpose is to act dishonestly or illegally with the intention for personal gain.
2	Department:	North West Department of Community Safety and Transport Management
3	Departmental Management Committee (DMC)	Refers to all executive and senior management of the Department, including any other officials who are part of this Committee.
4	Ethics	is broadly defined as well based standards of right and wrong that prescribe our rights, obligations and benefits to society. Ethics is about how we ought to live, treat others, run or manage our lives and organizations
5	Employee	means a person who has been appointed permanently or on fixed contract, notwithstanding that such appointment may be on probation, to a post contemplated in section 8(1)(a) of the Public Service Act, and includes a person contemplated in section(8)(b) or 8 (3)(c) of that act. Has been appointed on contract in terms of section 8(1) (c) (ii) of the Public Service Act.
6	Fraud	"the unlawful and intentional making of a misrepresentation which causes actual and or potential prejudice to another". The use of the term is in its

		widest possible meaning and is intended to include all aspects of economic crime and acts of dishonesty.
7	Fraud risk	is a risk posed to the department either by employees or other external stakeholders which will / might result in fraud and corruption.
8	Risk Management	a systematic, proactive process to identify, evaluate and address risks on a continuous basis before such risks can have a negative impact on service delivery.
9	Risk	Any threat or event that is currently occurring or has a reasonable chance of occurring in the future, which could undermine the achievement of goals and objectives.
10	Risk Assessment	Process of risk analysis and risk evaluation.
11	Unacceptable behaviour	Behaviour that is not in line with policies and procedures of the Department and/or behaviour that is deemed unethical.
13	Stakeholder	People and entities who may affect, be affected by, or perceive themselves to be affected by, a decision or activity.

1. PURPOSE

The main purpose of this policy is to promote an ethical culture within the department by providing guidance to officials and management on how to prevent, detect and remedy incidents of unethical behaviour that might have occurred.

2. LEGAL MANDATE

a. **Constitution of the Republic of South Africa (1996)** is the fundamental legislative framework for creating good governance in the Public Service. The following key principles set out in **Chapter 10 section 195** of the Constitution are of particular importance in terms of ethics in the Public Service:

- A high standard of professional ethics must be promoted and maintained;
- Services must be provided impartially, fairly, equitably and without a bias;
- Public administration must be accountable; and
- Transparency must be fostered by providing the public with timely, accessible and accurate information."

b. **Sec 38(1)(a)(i) of the Public Finance Management Act**, stipulates that the Accounting Officer /Authority is responsible for ensuring that the department, trading entity or constitutional institution has and maintains effective, efficient and transparent system of financial and **risk management** and internal control.

c. **Sections 3.2.1 and 27.2.1 of the Treasury Regulations** requires that risk assessment is conducted on regular basis and a risk management strategy, which includes a **fraud prevention plan**, is used to direct internal audit effort. The strategy must be clearly communicated to all employees to ensure that risk management is incorporated into the language and culture of the department or entity.

d. **The Public Service Act, section 3(h)**, assigns the Minister for Public Service and Administration (MPSA) the responsibility for establishing norms and standards related to integrity, ethics, conduct and anti-corruption in the public service. Section 41(1) (b) provides that the Minister for Public Service and Administration may make Regulations regarding:

- (v) A code of conduct for employees and;
 - (vi) Disclosure of financial interests by all employees or particular categories of employees and the monitoring of such interests.
- e. Chapter 2 of the Public Service Regulation (2016) gives effect to the provisions of the constitution and regulates in terms of the following:
- Conduct
 - Financial Disclosure
 - Anti-Corruption
 - Ethics Management
- f. **Code of conduct** the Code acts as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and help to ensure confidence in the Public Service.
- g. **King IV Report** Principle 1: The governing body should lead ethically and effectively
Principle 2: The governing body should govern the ethics of an organisation in a way that supports the establishment of an ethical culture.

3. SCOPE OF THE POLICY

The policy is applicable to all employees of the Department; stakeholders and anyone doing business on behalf of the department. It also applies to all processes and procedures undertaken by the department in its endeavours to delivery services to the communities.

4. STATEMENT OF ATTITUDE TOWARDS FRAUD, CORRUPTION AND UNETHICAL BEHAVIOUR.

Fraud, corruption and unethical behaviour represent a significant potential risk to Department's assets, service delivery efficiency and reputation. Management therefore commits to provide ethical leadership in order to inculcate and maintain the ethical culture within the Department over time.

The Department also will not tolerate corrupt and/or fraudulent activities, whether internal or external and will vigorously pursue and prosecute any party, by all legal means available, which engage in such

practices or attempt to do so. It also views attempted fraud and corruption as seriously as accomplished fraud.

The Department recognises the fact that possible acts of fraud and corruption by its employees and other stakeholders seriously deplete the scarce resources available in fulfilling its mandate, ***hence the Department support and adopt a culture of zero tolerance to fraud and corruption.***

5. DEFINITION OF FRAUD, CORRUPTION AND UNETHICAL BEHAVIOUR

5.1. Fraud

Generally, fraud involves the intention to deceive a person or organisation in order to obtain an advantage, avoid an obligation or cause loss.

The term also includes the use of information technology equipment to manipulate programs or data dishonestly, the theft of IT equipment and software, and the intentional misuse of computer, time and resources.

In South Africa fraud is commonly defined as the unlawful and intentional making of a misrepresentation which causes actual prejudice or which is potentially prejudicial to another (CR Snyman). The term is also used in a wider sense to include all aspects of economic crimes, acts of dishonesty and corruption.

The general offence of **Corruption** is contained in Section 3 of The Prevention and Combating of Corrupt Activities Act. This section provides that any person who gives or accepts or agrees or offers to accept/ receive any gratification from another person in order to influence such other person.

5.2. Corruption

Fraud and corruption is more often used interchangeable, though there is a thin line between the two and most of the time they happen together. Corruption manifests itself in four main schemes;

5.2.1 Conflict of interest

It refers to a situation where an official/employee has undisclosed interest in another institution and is selling or buying from his/her employer. If he/she is selling to the employer it is at inflated prices and if buying from the employer it is at a much reduced rate.

5.2.2 Bribery

Refers to an official/employee accepts money or some other consideration to engage in a particular course of action, or inaction.

5.2.3 Illegal gratuities

These are not seen as bribes but rather as a "thank you" for doing business, however, they may still be construed as a bribe because the official is paid for doing his / her work and therefore not expected to accept any rewards from any client's / service providers or absolutely any one.

5.2.4 Economic Extortion

An official/employee demands money or some other considerations to engage in a particular course of action, or inaction.

6. ETHICAL BEHAVIOUR

Ethics is not a legally defined phenomenon, however the Department of Public Service and Administration defines ethics in broad terms as standards of right and wrong that prescribe our rights, obligations and benefits to society. Ethical behaviour results when one does not merely consider what is good for oneself, but also what is good for others. Both the self and the other can refer to an individual, a group, or an organisation.

7. OBJECTIVES OF THE POLICY

The Department has put a Risk Management and Integrity Directorate in place as part of its governance structures; the Directorate ensures that policies are in place to manage all types of risks including fraud, corruption and unethical behaviour. The policy provides that all officials should conduct themselves in the following manner: -

7.1 In all dealings

- a. Comply with all applicable laws, rules and regulations.
- b. Engage in honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- c. Maintain effective procedures to prevent confidential information being misused and make it clear that the use of confidential information for personal and corporate gain will not be tolerated
- d. Comply with departmental policy on gifts, donations and sponsorship.
- e. Be alert to and, in accordance with the Whistle Blowing Policy, report any unethical or fraudulent activities and maintain accurate records to help prevent their occurrence.

7.2 Dealings with employees

- a. Everyone involved in recruitment processes adhere to high standards of employment practice.
- b. Department obliged and commit to provide a clean, healthy and safe work environment Provide fair and just remuneration packages
- c. Implement human resource policies (e.g. Recruitment; Equality and Diversity; Health and Safety; harassment etc.) to ensure that specific standards and objectives are clearly communicated
- d. Not tolerate any sexual, physical or mental harassment, or victimisation of employees

7.3 Dealings with suppliers of goods and services

- a. Department is committed to a relationship with suppliers of goods and services based on mutual trust and shared values.
- b. Maintain high standards of integrity in business relationships with suppliers.

- c. Ensure that all employees conduct business with suppliers of goods and services in a professional manner,
- d. Encourage suppliers to operate with values and principles equivalent to the Department's.

8. FRAUD, ANTI CORRUPTION AND ETHICS RISK MANAGEMENT

Fraud, **corruption and ethics** risk assessment is the first line of defence in responding to fraud and corruption risks, the Department will to know as to what extent of fraud one is faced with and as a result be better positioned to put appropriate measures in place.

This is a process aimed at proactively identifying and addressing Department's vulnerability to internal and external fraud. Fraud, corruption and ethics risk is assessed regularly as part of the business's risk management process, and at the design stage of new systems and processes, thus introducing cost-effective controls where appropriate. The assessment is conducted in conjunction with an overall risk management processes and/or on a stand-alone basis.

9. ROLES AND RESPONSIBILITIES

9.1 Accounting Officer

The primary responsibility for the prevention and detection of fraud rests with the Accounting Officer and the Management team as they are both those charged with governance of the department. They therefore will ensure that:

- a. There are measures in place to mitigate the risk of fraud and corruption, hence, maintenance and monitoring of implementation of this policy.
- b. Ensures regular reporting on the effectiveness of the policy globally.
- c. Provision of fraud and investigation services within the Department, including policy development, contingency planning, and staff awareness training.
- d. Investigation into all known or suspected instances of fraud by an employee (appoint the investigating officer for cases of fraud and corruption).
- e. Allocating sufficient and appropriate resources to implement this policy effectively.

- f. Implementing initiatives that enhance effectiveness of the fraud risk management, including procedures that enable employees to inform management of suspected fraud, theft and wrongdoing.

9.2 Management

- a. Managers and supervisors are in a position to take responsibility for detecting fraud and other irregularities in their areas of responsibilities.
- b. Managers and supervisors will be capacitated to respond to reported incidence of fraud.
- c. Ensuring compliance with this policy throughout their operations.
- d. Considering their exposure to fraud risk and introducing preventative controls into new and existing systems and processes.
- e. Encouraging an open and ethical culture amongst staff.
- f. Developing pro-active methods of fraud detection, such as data mining and analysis
- g. As a result, there is a need for all managers partake in the risk assessment process by:
 - i. identifying and assessing the risks involved in the operations for which they are responsible;
 - ii. develop and maintain effective controls to prevent and detect fraud;
 - iii. ensure compliance with controls; and
 - iv. ensure that agreed procedures are followed.

9.3. Other members of staff

Every member of staff:

- a. Has a duty to ensure that public funds, the Department's reputation and its assets are safeguarded;
- b. Will alert their line manager where they believe the opportunity for fraud or any other unethical behaviour of some sort exists; either because of poor procedures or lack of effective supervision;
- c. Has a responsibility to report details of
 - i. any suspected or actual fraud, or
 - ii. any suspicious acts or events, to their line manager, or as per provision of the Department's whistle blowing policy.

- d. Staff members are responsible for reporting known or suspected fraud, or instances of unethical or illegal behaviour within the Department.
- e. Assist in any investigations by making available all relevant information and by co- operating in interviews.

9.4. Ethics Officer

- a. Promote integrity and ethical behaviour in departments. Advise employees on ethical matters;
- b. Ensure organizational integrity of policies, procedures and practices;
- c. Identify and report unethical behaviour and corrupt activities to the Head of Department;
- d. Administer and manage the implementation of the ethics framework in departments;
- e. Monitor and evaluate the implementation of the ethics framework;
- f. Develop and implement awareness programmes to educate officials on ethics, good governance and anti-corruption measures;
- g. Liaise with the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit (PAEIDTAU) regarding all disclosures; and
- h. Manage and administer the e-filing of financial declaration forms.
- i. Facilitates the fraud risk assessment process,
- j. Develop policies and strategies to mitigate fraud risks.
- k. Advise on matter related to risk management process including fraud risk.

9.5. Human Resource Management

- a. The Human Resources Management directorate is responsible for investigating reported cases of fraud from National Anti- Corruption Hotline and those reported within the department.
- b. Keep a register of all public servants under investigation and those disciplined for corruption and provide to Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit (PAEIDTAU);
- c. They are also responsible to ensure that internal disciplinary procedures are being implemented, which must be in line with, and support, the fraud policy statement and fraud response plan.
- d. Their advice will be sought in relation to the Department's personnel management strategies, individual employment histories, and issues relating to employment law, or equal opportunities.

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9.6 Audit Committee (as per Treasury Regulations)

- a. Audit committee members have responsibility for reviewing the Department's internal control and risk management systems, including the design and implementation of anti-fraud programmes and controls.
- b. They also monitor the integrity of the financial statements, assess the Department's performance in fraud prevention, and reviews the investigation log of cases.
- c. The Audit Committee reviews arrangements by which employees can confidentially raise concerns about possible wrong doing (whistle-blowing mechanisms), and
- d. Their objective is to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

9.7 Ethics and Integrity Management Committee

- a. Provide oversight and support to the custodians of the ethics and anti-corruption programme.
- b. Mobilize resources for the implementation of ethics and anti-corruption programme.
- c. Ensure that the Department's Ethics risks are assessed and that the Department has an understanding of their ethics risk profile.
- d. Recommend all ethics and integrity policies and strategies for the Head of Department's approval.
- e. Ensure that the Department's code of ethics (or value statement) and relevant policies, are developed and revised to address the ethics risks.
- f. Ensuring integration and collaboration of various ethics-related functions, such as (anti-fraud and anti-corruption, compliance, Internal Audit, Investigations, Human Resource and labour Relations).
- g. Monitor and assess the Department's ethics performance.

9.8. Internal Audit

Internal Auditors are responsible for providing independent assurance on the effectiveness of the enterprise wide Risk Management including fraud risks. Although it is not the primary responsibility for auditors to identify fraud, Audit standards call for auditors to include methods for identifying potential incidents of fraud when planning and conducting the audit. It requires auditors to:

- a. discuss the risk of fraud with management and those charged with governance
- b. Discuss with the audit team the susceptibility of the accounts to material misstatements due to fraud.
- c. Consider whether one or more fraud risk factors are present,
- d. Perform audit procedures to address the risk of management overriding controls.
- e. Test journal entries and review accounting estimates for bias
- f. Understand the business rationale for transactions outside the normal course of business

9.8 Auditor - General

The Auditor-General is responsible for performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

9.10 Office of the Premier (Anti-corruption)

- a. Office of the Premier provides oversight and support to the Provincial departments and public entities,
- b. Facilitates the meetings of the Provincial Anti-Corruption Technical Committee,
- c. Ensures that resources and capacity is available for implementation of the Anti-corruption programmes,
- d. Communicate the message of ethics and anti-corruption to the employees and the communities in the Province.
- e. Assess and review the effectiveness and progress made on ethics and anti- corruption programmes.

9.11 Provincial Risk Management Unit (PRMU)

- a. Monitoring and assessing the implementation of risk management
- b. Building risk management capacity and enforcing the Public Finance Management Act and other relevant risk management prescripts.

10 NON COMPLIANCE TO THE PROVISION OF THE POLICY

Compliance to the policy is a mandatory condition of employment for all staff. Failure to comply with this policy will be reported and disciplinary action will be taken.

11 EFFECTIVE DATE OF THE POLICY

This policy shall be reviewed annually to incorporate any changes that may occur in the Department and will be implemented with effective from the date of approval by the Head of Department.

12 RECOMMENDATION AND APPROVAL

DISCUSSED AND ADOPTED DURING	MEETING HELD DATE
EXECUTIVE MANAGEMENT COMMITTEE	24/03/2025
RISK MANAGEMENT COMMITTEE	26/03/2025

RECOMMENDED



MS VT LETEANE
CHAIRPERSON

DATE: 08/03/2025

APPROVED



DR HANS KEKANA
HEAD OF DEPARTMENT

DATE: 21/03/2025