

RISK MANAGEMENT STRATEGY 2023/2024



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

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1. INTRODUCTION AND BACKGROUND

- 1.1 Managing risks is fundamental to the business of an organisation. The PFMA through section 38(1) (a) (i) requires the Accounting Officer to ensure that the Department has and maintains effective, efficient and transparent systems of financial and risk management and internal control.
- 1.2 The King IV Report prescribes that an organisation should establish a risk management structure that will adequately identify measure, monitor, and control the risks involved in its various operations and lines of business.
- 1.3 The Department of Public Works and Roads (the Department) has adopted an enterprise-wide risk management (ERM) strategy which means that every key risk in each part of the Department will be included in a structured and systematic process of risk management. It is expected that the risk management processes will become embedded into the Department's systems and processes, ensuring that our responses to risk remain current and dynamic.
- 1.4 All risk management efforts will be focused on supporting the Department's outcomes. Equally, they must ensure compliance with relevant legislation, and fulfil the expectations of employees, communities and other stakeholders in terms of good corporate governance.
- 1.5 The risk management strategy gives effect to the realisation of the department's risk management policy., outlining how the high-level objectives as stated in the risk management policy are to be achieved. The risk management strategy also outlines how the risk management process will be improved over a period of time until the department reaches its desired risk maturity state.



2. DEFINITIONS

- 2.1 **RISK** - An unwanted outcome, actual or potential, to the department's service delivery and other performance objectives, caused by the presence of risk factor(s). Some risk factor(s) also present upside potential, which Management must be aware of and be prepared to exploit. This definition of "risk" also encompasses such opportunities.
- 2.2 **RISK MANAGEMENT** - Risk Management is a continuous and proactive process, effected by management and other personnel, applied in strategic planning and across the department, designed to identify potential events that may affect the Department and manage risks to be within its risk tolerance and lastly to provide reasonable assurance that the Department's objectives will be achieved.
- 2.3 **ENTERPRISE WIDE RISK MANAGEMENT (ERM)** – A strategic process to enable the Department to identify, measure, and manage entire range of business risks and opportunities it is facing.
- 2.4 **RISK REGISTER** – a tool used to record the departmental risks.
- 2.5 **RESIDUAL RISK** –The remaining exposure after the mitigating effects of deliberate management intervention(s) to control such exposure (the remaining risk after Management has put in place measures to control the inherent risk).
- 2.6 **INHERENT RISK** - The exposure arising from risk factors in the absence of deliberate management intervention(s) to exercise control over such factors.
- 2.7 **RISK APPETITE** - a set maximum level of residual risk the department is willing to accept.
- 2.8 **RISK ACCEPTABLE LEVEL** - It is equal to or below the risk appetite. The department is not going to allocate resources to deal with this risk.
- 2.9 **CORPORATE GOVERNANCE** - Corporate governance involves mechanisms by which an organisation is directed and controlled. It is a corporate tool through which corporate



management is held accountable for corporate conduct and performance. It is a strategic response to risk management.

2.10 INTERNAL CONTROLS - Mechanisms put into place to mitigate unacceptable levels of risk.

Internal controls are a management's responsibility.

3. LEGAL MANDATE

The Public Finance Management Act, 1999 supplemented by the relevant Treasury Regulations has legislated key governance best practices. Section 38 (1) (a) of the Public Finance Management Act, 1999 requires that:

"The accounting officer has and maintains an effective, efficient and transparent systems of financial and Risk Management and internal control."

(2) The extension of general responsibilities in risk managements of section 45 and 57 of the Public Finance Management Act, 1999 to all managers within the public sector implies that responsibility for Risk Management vests at all levels of management and that it is not limited to only the accounting officer and internal audit.

(3) The roles and responsibilities for the implementation of the Risk Management strategy are contained in the Treasury Regulations published in terms of the Public Finance Management Act, 1999. Section 3.2 and 27.2.1 of the regulations addresses Risk Management summarized as follows:

- (a) The accounting officer must ensure that a risk assessment is conducted regularly to identify emerging risks for the institution.*
- (b) The Risk Management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage these risks.*
- (c) The Risk Management strategy must be clearly communicated to all officials to ensure that it is incorporated into the language and culture of the institution and embedded in the behaviour and mind-set of its people.*

4. APPLICABILITY OF THE STRATEGY

The Risk Management strategy is applicable to the Department and all its employees, as well as all relevant stakeholders of the Department.

5. PURPOSE

- 5.1 The Risk Management strategy outlines a plan of how the department will implement its Risk Management policy, and how it will align effective Risk Management practices across the department into a common strategy that can be clearly understood and applied by all of the department's employees and stakeholders.
- 5.2 The Risk Management Strategy assists the department to prevent and/or minimise the adverse effects of risks associated with its operations. The consideration of Risk Management should be applied at all stages of an activity, function, or project and is an integral part of the overall Risk Management process.
- 5.3 The Risk Management Strategy also outlines the department's planned actions for improving its risk maturity level during the 2023/24 financial year.

6. OBJECTIVES

The department's risk management policy was reviewed for the 2023/24 financial year. In terms of this strategy, the department has set the following risk management objectives:

- 6.1 Create an environment for compliance with key statutory and best practice risk management requirements and principles;
- 6.2 Recognise risk management as a critical to the achievement of the department's service delivery goals;
- 6.3 Ensure that current and future material risks exposures of the Department are identified, assessed, quantified, appropriately mitigated and managed;
- 6.4 Encourage a culture within the Department that is intolerant to unethical conduct, fraud and corruption; and
- 6.5 Ensure the development of a mature risk management culture in terms of which every line manager and employee across the department thus taking a role in the management of



risks within their areas of responsibilities, and escalating those risks that are beyond the scope of their authority or available resources.

The Risk Management Strategy and Implementation Plan will assist the department in achieving these objectives.

7. DESIRED OUTCOMES

When effectively implemented and maintained, risk management will enable the Department to achieve the following outcomes:

- Sustainable and reliable delivery of services;
- Informed and reliable decision-making and planning which are underpinned by appropriate rigour and analysis;
- Improved governance, and thus stakeholder confidence and trust;
- Improved project management;
- Effective allocation and efficient use of resources;
- Reduced Wastage/losses and poor value for money;
- Prevention of Fraud and Corruption; and
- Improved Health and Safe Working Environment.

Risk Management is recognised as an integral part of responsible management and the department 'herefore adopts a comprehensive approach to the management of risk. The features of this process are outlined in the Departmental Risk Management Strategy. It is expected that all programmes' operations and processes will be subject to the risk management strategy. It is the intention that these programmes will work together in a consistent and integrated manner, with the overall objective of reducing risk, as far as reasonably practicable.



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8. RISK MANAGEMENT MATURITY

During the 2022/23 financial year, the department's risk management maturity was assessed with the assistance of the Provincial Risk Management unit.

In an effort to address the identified gaps and areas of improvement, the department has put together an action plan for the financial year, this plan is outlined in the table below.

FOCUS AREA	OVERALL MATURITY RATING SCORE	OBSERVATIONS	INITIATIVE/ACTION PLAN	PLANNED DATE OF IMPLEMENTATION
Governance and Culture	Partial	The risk management structure is not appropriate for the size and complexity of the Department; and	The department intends to capacitate its Risk Management unit by appointing a Risk Management Practitioner (SL8).	31 July 2023
		The (a) awareness of risks and (b) management buy-in is not adequate as the department is partially implementing the treatment plans that were agreed on.	The department intends to: <ul style="list-style-type: none"> (a) Request that Risk Owners certify risk registers after the completion of the annual Risk Assessment; (b) Appoint all programme managers (Chief Directors) as members of the Risk Management 	(a) 30 April 2023 (b) 30 April 2023

2023/24 RISK MANAGEMENT STRATEGY

FOCUS AREA	OVERALL MATURITY RATING SCORE	OBSERVATIONS	INITIATIVE/ACTION PLAN	PLANNED DATE OF IMPLEMENTATION
Strategy & Objective Setting	Partial	The risk appetite is not fully integrated into the Department.	Amend risk presentation and training material to include the risk appetite statement, as well as how performance, budget and risk management are integrated into the department's Strategic planning process.	30 June 2023
		The risk management, budget and performance are not sufficient.	Engage with the Risk Management Committee, as well as the office of the Head of Department on the requirement to include risk implications in all submissions and requests.	30 June 2023
Performance	Partial	Combined Assurance roles and responsibilities not adequately defined for all assurance providers	Review Combined Assurance framework to include well defined roles and responsibilities	30 September 2023
Review & Revision	Partial	Risk registers are not maintained and updated regularly.	The department will continue to maintain and update its risk registers quarterly. Risk owners will be required to submit a progress report on their planned actions providing reasons for non-implementation.	Ongoing

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FOCUS AREA	OVERALL MATURITY RATING SCORE	OBSERVATIONS	INITIATIVE/ACTION PLAN	PLANNED DATE OF IMPLEMENTATION
Information Communication and Reporting	Partial	The approved risk management literature /documents were not formally communicated to all officials at the beginning of the financial year.	A notice will be sent via email to all officials regarding the revised and approved risk management literature /documents	30 April 2023
		The risks information is not dependable.	Portfolio of evidence will be collected during quarterly risk monitoring for all implemented treatment plans.	Ongoing

9. RISK MANAGEMENT METHODOLOGY

The Department has adopted a risk management process that is in line with best practice by consulting with the Public Sector Risk Management Framework, ISO 31000: 2018 and the COSO Enterprise Risk Management – Integrated with Strategy and Performance 2017. The department intends on implementing its department-wide risk management process, as follows:

FOCUS AREA	DESCRIPTION
Governance and Culture	This stage assists with setting the tone from the Top in the department, establishing responsibilities and embedding the anticipated culture. i.e. establishment of Risk Committee, Embedding of risk culture, establishment of Risk Management roles and the capacitation thereof.
Strategy & Objective Setting	This stage provides context of how the Department operates and its environment. It is in this phase, where the Risk Management process is aligned to the Departmental strategy. i.e. defining of risk appetite, integration of the strategic risk process and the Strategic planning process
Establishing the context, scope and criteria	At this stage both external and internal factors are considered when identifying and managing risks associated with the achievement of strategic and operational objectives.
Risk Identification	This stage requires the identification of risk sources, areas of impacts, events, causes and possible consequences to form a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives
Risk Analysis	this sub-process considers the range of risk root causes, sources of risk, risk impacts / consequences and likelihood / probability of risk occurrence in order to produce risk ratings.
Risk Evaluation	Risks must be quantified and prioritized through a systematic risk assessment process.
Risk Treatment	Appropriate response strategies must be developed and evaluated to reduce or eliminate threats and events that create risks. In addition, selecting one or more options for reducing risks including funding and other resource considerations.
Review & Revision	The entire risk management system must be periodically reviewed and evaluated to ensure continual improvements. Continual monitoring and reviewing of risk profiles is essential to maintain the effectiveness and appropriateness of the risk management profiles, including more specifically, risk treatment plans, risk assessments and to identify emerging risks.
Information Communication and Reporting	The product of the risk assessment process is recorded in a form of risk registers which will ultimately be used for reporting. Appropriate communication and consultation processes must be used to communicate relevant risk information to officials and stakeholders to equip them to identify, assess and respond to risks.

10. RISK MANAGEMENT STRUCTURE

The diagram below (Figure 1) provides the risk management structure, and thus an indication of people and formations that must be assigned risk management roles and responsibilities at a departmental level:

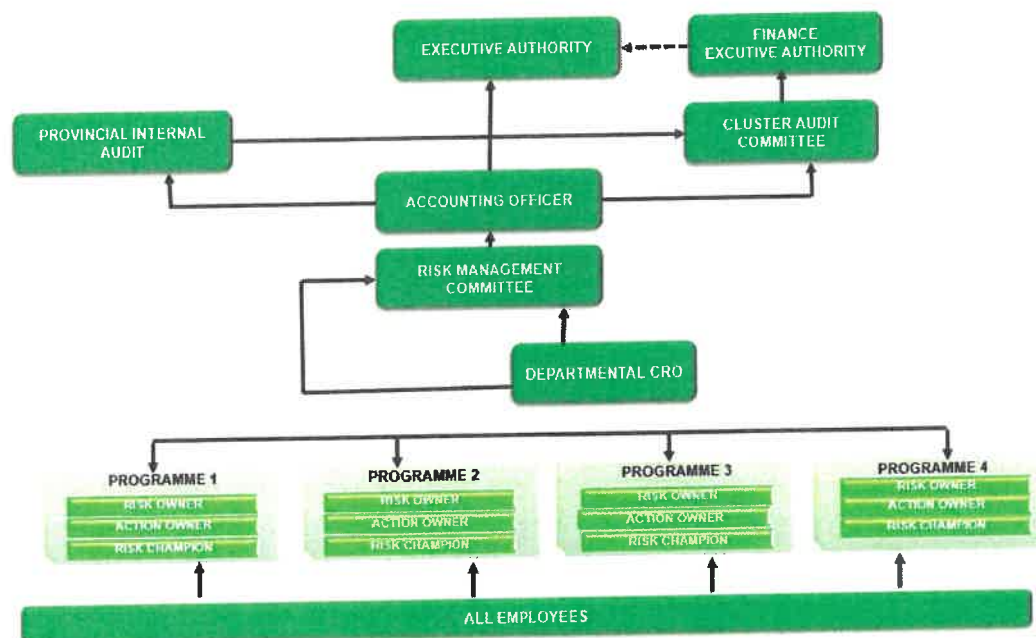


FIGURE 1: RISK MANAGEMENT STRUCTURE

- The Risk management function reports to the Head of the Department and Executive Authority in order for it to be integrated and effective in the Department.
- The Chief Risk Officer (CRO) will coordinate risk management processes, monitor risk registers and table a report on the status of risk management in all Departmental Committee Meetings (EMC & DMC), Risk Management Committee Meetings (RMC) and Provincial Risk Management Forum.

11. RISK APPETITE STATEMENT

The Department acknowledges that it will not achieve its objectives and service delivery obligations without taking risks. The only question is how much risk and risk types must be consciously taken and managed to avoid downfalls associated with negative risks. In this regard, every line manager and employee across the Department are risk managers and thus responsible for the management

2023/24 RISK MANAGEMENT STRATEGY

of risks within their areas of responsibility, and to escalate risks that are beyond the scope of their authority or available resources.

The Department's determined level of acceptable risk, or the risk that the Department is willing to accept or operate within (risk appetite) are risks that have a minimum residual risk rating (Risk Rating 5 - 9) and below; these will be monitored and periodically reviewed to ensure they remain acceptable.

The Department evaluates its risks (inherent risk and residual risk) in terms of the following risk categories, as stated in the Public Sector Risk Management Framework and the Departmental Risk Management policy and other related documents:

RISK RATING	RISK MAGNITUDE	RISK APPETITE STATEMENT	
		RISK APPETITE CATEGORY	DESCRIPTOR
20 - 25	Maximum	Averse	Risks cannot be tolerated at their current levels, activities that bring risks must be ceased until appropriate controls to reduce risks are developed and implemented.
15 - 19	High	Cautious	Level of risks must be reduced unless costs associated with controls exceed associated benefits.
10 - 14	Medium	Cautious	Risks at this level must be reduced bearing the benefits exceed the cost of reduction.
5 - 9	Minimum	Minimalist	Risks at this level will be monitored and periodically reviewed to ensure they remain acceptable
1 - 4	Low	Minimalist	Risks at this level are accepted at their current levels, no treatment is required.

The Department makes resources available to treat and control its risk exposures to an acceptable level, whilst accepting and recognising that it is not possible to mitigate all risks to a desired residual level. Hence cost versus benefits analysis/theory is vital and considered during the process of designing and implementing controls to eliminate and mitigate the identified risks.

12. RISK PROFILES

Departmental risk registers will be compiled in a broad-based manner to cover all major types of risks, including strategic, financial management and reporting/financial statement, IT, OHS, compliance risks, and business unit risks beyond the control of management. Risk registers are regarded as dynamic documents which must be reviewed and/or updated at least on a quarterly basis or as circumstances dictate (not limited to media reports, incidents, business/activities change, fourth industrial revolution/technology, etc.).

The various types of risks that must be identified and included as part of the department-wide risks registers are as follows:

- **Strategic Risks:** These are risks emanating from the strategic decisions made by the department based on its strategic goals and outcomes as they appear in the departmental strategic plan.
- **Operational Risks:** These are the risks that will be identified from the department's operations by determining threats and vulnerabilities introduced by employees, internal processes and systems, contractors, regulation, and other external events. Specific risks relating to Fraud and Ethics, ICT, as well the impact of specific events such as a pandemic, and natural disasters affecting the department also have to be identified.
- **Project-specific risks:** These risks should be identified for projects undertaken by the department to highlight potential events that may hinder the correct completion and implementation of the project. Projects may include major changes in policies or the introduction of new requirements, construction and maintenance projects, or reconfigurations.

The development and maintenance of the risk registers should be a continuous process. This is usually achieved through facilitated workshops where management collectively agrees on the risk identification, assessment, and treatment plans.

13. RISK ASSESSMENT

The department employs a systematic process to quantify risks or the level of risk associated with a specific threat or event, this process will assist the department to prioritize the most important risks and allocate resources effectively. To conduct risk assessments, the department has adopted the following risk management approach/process:

The department has planned to perform various risk assessments at the departmental and business unit level during the 2023/24 financial year.

The following steps will be considered when conducting the various risk assessment sessions to ensure that risks are identified and addressed in an appropriate and consistent manner:

- (a) Identifying risks that are applicable to the business unit, and their root causes.
- (b) Pre-determining the likelihood of the risk occurring and the impact it would have, should it occur, and thereby determining the inherent risk exposure related to each risk identified.
- (c) Pre-determining the controls that should be implemented to mitigate each of the identified risks i.e.: ideal controls.
- (d) The risks will then be rated inherently (pre-control level) in terms of Impact and Likelihood using best practice as the adopted risk matrix rating scale. This framework was also used to rate the effectiveness of the controls for managing the relevant risks.
- (e) Action plans identified in areas that management considered to be weak, as well as areas where management identified a need for new interventions will allow for efficiencies in their processes.

The 2024/25 risk assessments will be done in terms of the following schedule during the 2023/24 financial year as follows:

RISK ASSESSMENT	PERIOD
Strategic Risk Assessment	30 September 2023 – 31 March 2024
Operational Risk Assessment	30 September 2023 – 30 November 2023
Fraud Risk Assessment	30 September 2023 – 30 November 2023
ICT Risk Assessment	30 September 2023 – 30 November 2023



The following rating scales will be applied when conducting the risk assessments:

Likelihood Rating Scale:

Descriptor	Level	Definitions
Rare	1	The risk is conceivable but is only likely to occur in extreme circumstances.
Unlikely	2	The risk occurs infrequently within the next three years.
Moderate	3	There is an above average chance that the risk will occur at least once in the next three years.
Likely	4	The event is likely to occur at least once within the next 12 months.
Certain	5	The event is likely to occur more than once within the next 12 months.

Impact Rating Scale:

Descriptor	Level	Definitions
Insignificant	1	Negative outcomes or missed opportunities that are likely to have a relatively negligible impact on the ability to meet its objectives.
Minor	2	Negative outcomes or missed opportunities that are likely to have a relatively low impact on the ability to meet its objectives.
Moderate	3	Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on the ability to meet its objectives.
Major	4	Negative outcomes or missed opportunities that are that are of substantial importance on the ability to meet its objectives
Critical	5	Negative outcomes or missed opportunities that are of critical importance to the achievement of its objectives.

Control Effectiveness Rating Scale:

Descriptor	Effectiveness Rating	Definition
Very Good	71-100	The controls in place are working at optimum level
Good	46-70	The controls in place are addressing the risks, but are not working at optimum level
Satisfactory	21-45	The controls in place are working at an acceptable level, but more can be done to strengthen these controls
Weak	11-20	The controls in place need to be strengthened or new controls need to be implemented
Unsatisfactory	1-10	The controls in place are ineffective, and new controls need to be implemented

Risk Exposure

Risk rating	Risk magnitude	Response
20 - 25	Maximum	Unacceptable- Action must be taken immediately (0-3 months)
15 - 19	High	Unacceptable level of risk, except under unique circumstances or conditions - Major level of control intervention required to achieve an acceptable level of residual risk (3-6 Months)
10 - 14	Medium	Unacceptable level of risk, except under unique circumstances or conditions - Moderate level of control intervention required to achieve an acceptable level of residual risk (6-12 Months)
5 - 9	Minimum	Mostly acceptable - Low level of control intervention required, if any
1 - 4	Low	Acceptable-No action required

Risk assessment participants will be required to identify both the current controls the Department has in place to mitigate the inherent risks, and possible treatment plans to be implemented to improve the mitigation of the risk. Treatment plans will be identified in areas that management

considers to be weak, as well as areas where management believes new intervention could allow for efficiencies in their processes. Lastly, treatment plans will be assigned to respective risk owners for their implementation and monitoring.

14. RISK RESPONSE AND TREATMENT

Risk response and risk treatment involves developing actions to reduce/mitigate the impact or likelihood of risks that are considered unacceptable during the risk evaluation process. Risk treatment entails identifying options for treating individual risks, assessing those options, preparing risk treatment plans, and monitoring their implementation. In some cases, a combination of options may be appropriate in treating risks.

The following response strategies will be considered by the department:

- (a) **avoiding** the risk: this can be by developing a different strategy or terminating the activity that produces the risk;
- (b) **treating** the risk: this can be through implementing deliberate actions to reduce the risk to an acceptable level such as improving internal controls;
- (c) **transferring** the risk: this can be where a third party is requested to manage or absorb the risk, for example, contracting out services, establishing strategic partnerships, and buying insurance;
- (d) **accepting** the risk: in cases where cost and strategy considerations rule out alternative strategies, management may decide no deliberate actions will be taken;

The risk appetite/acceptable level will help us determine which risk management strategy to use to address a specific risk.

15. REVIEW & REVISION

Continual monitoring and reviewing of risk profiles and risk management literature is essential to maintain the effectiveness and appropriateness of the risk management process, this can be done through the following actions:

1. Periodic (annual) review and evaluation of the whole risk management system (Risk Maturity assessment) is performed by assurance providers.



2. Periodic (quarterly) review and evaluation of risk registers and effectiveness of risk mitigation plans is conducted on a quarterly basis.
3. Identify emerging risks on an ongoing basis and evaluate them during quarterly risk monitoring and evaluation.

16. INFORMATION COMMUNICATION AND REPORTING

Effective and continuous monitoring is an essential part of risk management and therefore relevant. Stakeholders will receive reports pertaining to the current status of financial and operational data supported by adequate and appropriate systems. This will be within a time frame that enables employees to carry out their responsibilities properly.

The reason for communicating and documenting is for all employees to understand the risks and mitigation alternatives as well as the risk data to make effective choices within the constraints of available resources. Communication and documentation are both critical for managing risks. Information both positive and negative, when communicated throughout the organisation, will ensure that best practice is used and understood.

To ensure effective communication and reporting the department must ensure that:

1. Risk management responsibilities are formally communicated to relevant people.
2. Risk mitigation plans and associated due dates are discussed and agreed with relevant risk owners.
3. Other than risk workshops, employees are provided with avenues/facilities to report and escalate risks.
4. Risks are regularly (quarterly) reported to management and oversight structures such as the Audit Committee and Risk Management Committee.
5. Reporting on the effectiveness of risk management in the annual report in terms of how the Department has accounted for the strategic risks.



17. PERIOD OF REVIEW AND AMENDMENT

This strategy shall be reviewed annually and in the event of any need for amendments, such amendments shall be made and affected to the strategy.

18. RECOMMENDATION AND APPROVAL

The Risk Management Strategy is recommended by the Risk Management Committee and approved by the Head of Department.

Recommended by the Risk Management Committee:

Signature:

Date:

21/04/23

Approved by the Head of Department:

Signature:

Date:

26/04/23



ANNEXURE A: RISK MANAGEMENT IMPLEMENTATION PLAN 2023/24

Planned Action	Detailed Actions	Outputs	Due date and responsible person
Governance and Culture			
Review the risk management policy for 2024/25	CRO to review and update the policy and submit to Risk Management Committee (RMC) to recommend to the Accounting Officer for approval.	Approved risk management policy	Chief Risk Officer 31 March 2024
Governance and Culture			
Review the risk management strategy and plan for 2024/25	CRO to review and update the strategy and submit to Risk Management Committee (RMC) to recommend to the Accounting Officer for approval.	Approved risk management strategy	Chief Risk Officer 31 March 2024
Embedding of Risk Management	Publicize the policy on the intranet	Communicated risk management policy & strategy to all officials in the Department	Chief Risk Officer 03 April 2023
Raising awareness and risk management training	Conduct training and awareness workshops for Risk Management	Attendance of Risk Management workshops and training sessions.	Chief Risk Officer 31 March 2024
Risk Management Committee Charter	Review existing RMC Charter Appoint members to Risk Management Committee	Approved risk management committee charter Appointment letters	Chief Risk Officer 30 April 2023
Risk assessment			

2023/24 DRAFT RISK MANAGEMENT STRATEGY

Planned Action	Detailed Actions	Outputs	Due date and responsible person
Facilitate enterprise-wide risk assessments	Facilitate risk identification and assessment sessions. Analyse information and develop risk assessment reports.	Draft strategic, operational, fraud and ICT risk registers.	Chief Risk Officer 31 March 2024
Risk response			
Develop risk response strategies and treatment plans	Drafting action plans for all gaps identified in addressing the risks.	Risk response and treatment plans for all risks identified in the Risk Registers	Risk Owners 31 March 2024
Review and Revision			
Quarterly Risk Monitoring and Identification of emerging risks	Review status of implementation of treatment plans Collect and validate portfolio of evidence for implemented plans. Evaluate impact of treatment plans on the risks. Discuss emerging risks with employees and risk owners and report to risk management committee.	Quarterly risk Management report Updated risk registers	Chief Risk Officer All Managers Quarterly



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Planned Action	Detailed Actions	Outputs	Due date and responsible person
Convene risk management committee meetings and complete annual evaluation	Convene Risk Management Committee meeting Submit RMC report to the audit committee RMC complete self-evaluation.	Minutes of RMC meetings RMC Report Evaluation report	Chief Risk Officer, RMC Quarterly
Monitor and plan actions for reports of assurance providers	Compile audit action plans for Internal Audit and AGSA audit reports Compile action list for reports of Provincial Risk Management	Audit action plans PRM action list	Chief Risk Officer Ongoing



RISK MANAGEMENT POLICY

2023/2024



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

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1. INTRODUCTION

The Accounting Officer / Authority has committed the Department of Public Works and Roads (DPWR) to a process of risk management that is aligned with the principles of good corporate governance. The Public Finance Management Act (PFMA) 1999 outlines the following risk management obligations for the Department of Public Works and Roads (DPWR):

Section 38 of the PFMA	Accounting Officer must ensure the maintenance of effective, efficient and transparent system of risk management and internal control.
Treasury Regulation 3.2.1	Accounting Officer must ensure that risk assessments are conducted regularly to identify emerging risks.

2. RISK AND RISK MANAGEMENT

Risk refers to an unwanted outcome, actual or potential, to the department's service delivery and other performance objectives, caused by the presence of risk factor(s). Some risk factor(s) also present upside potential, which Management must be aware of and be prepared to exploit. Such opportunities are encompassed in this definition of risk.

Risk Management is a continuous and proactive process, effected by management and other personnel, applied in strategic planning and across the department, designed to identify potential events that may affect the Department and manage risks to be within its risk tolerance and lastly to provide reasonable assurance that the Department's objectives will be achieved.

2.1 Desired Outcomes

When effectively implemented and maintained, risk management will enable the Department to achieve the following outcomes:

- Sustainable and reliable delivery of services;
- Informed and reliable decision making and planning which are underpinned by appropriate rigour and analysis;



- Improved governance, and thus stakeholder confidence and trust;
- Effective allocation and efficient use of resources;
- Reduced Wastage/losses and poor value for money;
- Prevention of Fraud and Corruption; and
- Improved Health and Safe Working Environment

3. PURPOSE OF THE POLICY

The purpose of this Policy is to articulate the Department's risk management philosophy which is a continuous and proactive process, effected by management and other personnel, applied in strategic planning and across the department, designed to identify potential events that may affect the Department and manage risks to be within its risk tolerance and lastly to provide reasonable assurance that the Department's objectives will be achieved.

4. APPLICABILITY OF THE POLICY

The Risk Management Policy is applicable to the Department and all its employees, as well as all relevant stakeholders of the Department.

5. THE POLICY AND ITS OBJECTIVES

The realisation of our strategic plan depends on us being able to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable us to anticipate and respond to changes in our service delivery environment, as well as make informed decisions under conditions of uncertainty.

We subscribe to the fundamental principles that all resources will be applied economically to ensure the following objectives are met:

- Create an environment for compliance with key statutory and best practice risk management requirements and principles;
- Recognise risk management as critical to the achievement of the department's service delivery goals;
- Ensure that all the current and future material risks exposures of the Department are identified, assessed, quantified, appropriately mitigated, and managed;

- Encourage a culture within the Department that is intolerant to unethical conduct, fraud, and corruption; and
- Ensure the development of a mature risk management culture in terms of which every line manager and employee across the department, thus taking a role in the management of risks within their areas of responsibilities, and escalating those risks that are beyond the scope of their authority or available resources’.

An entity-wide approach to risk management will be adopted by the department, which means that every key risk in each part of the department will be included in a structured and systematic process of risk management.

It is expected that the risk management process will become embedded into the department’s systems and processes, ensuring that our responses to risk remain current and dynamic. All risk management efforts will be focused on supporting the department’s objectives, equally, they must ensure compliance with relevant legislation, and fulfil the expectations of employees, communities and other stakeholders in terms of corporate governance.

6. RISK APPETITE STATEMENT

The Department acknowledges that it will not achieve its objectives and service delivery obligations without taking risks. The only question is how much risk and risk types must be consciously taken and managed to avoid downfalls associated with negative risks. In this regard, every line manager and employee across the Department are risk managers and thus responsible for the management of risks within their areas of responsibility, and to escalate risks that are beyond the scope of their authority or available resources.

Hence cost versus benefits analysis/theory is vital and considered during the process of designing and implementing controls to eliminate and mitigate the identified risks. The department has adopted the risk matrix ratings which are outlined in the risk management strategy.

The Department’s determined level of acceptable risk or the risk that the Department is willing to accept or operate within (risk appetite) is at a minimum level. All risks that are at a medium to maximum level will be treated. Treatment plans will be developed and implemented for mitigation.

7. ROLE PLAYERS

Every employee is responsible for executing risk management process and adhering to risk management procedures as laid down by the department's management in their areas of responsibilities.

7.1 Executive Authority

The Executive Authority takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the department against the impact of risks.

7.2 Audit Committee

The Audit Committee is an independent committee responsible for oversight of the department's control, governance and risk management. The responsibilities of the Audit Committee with regard to risk management are formally defined in its charter. The Audit Committee provides an independent and objective view of the department's risk management effectiveness.

7.3 Risk Management Committee

The Risk Management Committee (RMC) is appointed by the Accounting Officer to assist them to discharge their responsibilities with regards to risk management. The RMC's roles and responsibilities are outlined in the Risk Management Committee Charter and include the responsibility to review the progress and maturity of risk management progress, the effectiveness of risk management activities, the key risks facing the department, and the responses to address these key risks.

7.4 Accounting Officer

The Accounting Officer is the ultimate Chief Risk Officer of the department and is accountable for the department's overall governance of risk. By setting the tone at the top, the Accounting Officer promotes accountability, integrity and other factors that will create a positive control environment.

7.5 Management

Management is responsible for executing their responsibilities outlined in the risk management strategy and for integrating risk management into the operational routines.



7.6 Other Officials

Other officials are responsible for integrating risk management into their day-to-day activities. They must ensure that their delegated risk management responsibilities are executed and continuously report on progress.

7.7 Chief Risk Officer

The Chief Risk Officer is the custodian of the Risk Management Strategy, and coordinator of risk management activities throughout the department. The primary responsibility of the Chief Risk Officer is to bring to bear his/her specialist expertise to assist the department to embed risk management and leverage its benefits to enhance performance.

7.8 Risk Champion

A risk champion is defined as a person who by virtue of his/her expertise or authority champions a particular aspect of the risk management process, but who is not the risk owner". The Risk Champion's responsibility involves intervening in instances where the risk management efforts are being hampered, for example, by the lack of co-operation by Management and other officials and the lack of departmental skills and expertise.

7.9 Provincial Risk Management Unit

The Provincial Risk Management Unit monitors and assesses the implementation of risk management, build risk management capacity and enforce the PFMA and prescribed National and Provincial norms and standards.

7.10 Internal Audit

The role of the Internal Audit in risk management is to provide an independent, objective assurance on the effectiveness of the department's risk management system. Internal Auditing must evaluate the effectiveness of the entire system of risk management and provide recommendations for improvement where necessary.

7.11 External Audit

The external auditor (Auditor-General of South Africa) provides an independent opinion on the effectiveness of risk management.





8. POLICY REVIEW

The risk policy statement shall be reviewed annually to reflect the current stance on risk management.

9. RECOMMENDATION AND APPROVAL

The Risk Management Policy is recommended by the Risk Management Committee and approved by the Head of Department.

Recommended by the Risk Management Committee:

Signature:

Date:

21/04/23

Approved by the Head of Department:

Signature:

Date:

26/04/23



RISK MANAGEMENT, FRAUD & ETHICS COMMITTEE CHARTER 2023/2024



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



2023/24 RISK MANAGEMENT, FRAUD AND ETHICS COMMITTEE CHARTER

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2023/24 RISK MANAGEMENT, FRAUD AND ETHICS COMMITTEE CHARTER

1. INTRODUCTION

Section 38(1)(a)(i) of the Public Finance Management Act (PFMA) requires the Accounting Officer of a Department to establish a transparent system of risk management and internal control. The Department regards the establishment of the Risk Management, Fraud and Ethics Committee (Risk Committee) as an integral part of the system of risk management and internal control.

2. OBJECTIVES AND PURPOSE

The objective of the Committee is to assist the Accounting Officer in discharging her/his risk management responsibilities as stated in the PFMA and other relevant prescripts i.e. reviewing the adequacy and effectiveness of the departmental risk management systems, practices and procedures, and providing recommendations for improvement.

The purpose of the Committee is to ensure the implementation of the Department's risk policy and to ensure that appropriate procedures are in place to identify, assess and manage risk from the strategic and operational perspectives of the Department.

3. CONSTITUTION

The Risk Committee has been established by the Department of Public Works and Roads to assist the Accounting Officer to fulfil their risk management and ethics responsibilities in accordance with prescribed legislation and corporate governance principles.

4. AUTHORITY

The Risk Management Committee is authorized, within the scope of its roles and responsibilities, to:

- 4.1 Obtain any information it needs from the employees and external parties engaged by the department, if such information would assist the Risk Committee in discharging its duties;
- 4.2 Request the attendance of any of the department's employees, including its auditors that fall within the department, to its meetings;
- 4.3 Discuss any matters with both internal and external auditors (auditors) or other external parties as far as those matters fall within the scope of its duties;
- 4.4 The Risk Committee shall have the requisite authority to request management to appear before it to account for their delegated responsibilities in respect of risk management;



- a. For the purpose of the functioning of the Committee in the event that the members of the Risk Committee are of a more junior rank than the management that they request to appear before them, the traditional rank hierarchy in the Department shall not apply.

- 4.5 The Risk Committee shall from time to time request the specialised functions to provide advisory services;
- 4.6 Obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the expense of the department and after following the department's procurement processes; and
- 4.7 Oversee other committees such as the Information, Communication and Technology Steering Committee and any other committee that might be deemed as an operational committee of the Risk Committee.

5. COMPOSITION AND TENURE

Permanent members of the Risk Committee shall be formally appointed by the Accounting Officer. The membership of the Risk Committee shall be formally appointed in writing and the acceptance of membership must also be in writing.

The Accounting Officer shall appoint two (2) independent members viz. Chairperson and Deputy Chairperson to form part of the committee for a period of 3 years, after which they will be eligible for extension or re-appointment.

Representatives of the Provincial Risk Management and the Provincial Internal Audit, although not members of the Risk Committee may attend meetings as observers and advisors as determined and invited by the Chairperson.

The Membership of the Risk Committee should comprise of two (2) independent officials and members of Senior Management with necessary blend of skills, competencies and attributes, as follows:

Members

- Independent Member: Chairperson
- Independent Member: Deputy Chairperson
- Chief Financial Officer
- Chief Director: Corporate Services
- Chief Director: Public Works Infrastructure (Infrastructure construction, maintenance and technical portfolio support)
- Chief Director: Community Based Programmes



- Chief Director: Transport Management(Roads infrastructure Management)
- Chief Director: Facilities & Property Management(Immovable Asset Management)
- Director: Legal Services
- Director: Security Services
- Deputy Director: Information Communication Technology
- Director: Planning Monitoring and Evaluation

Secretariat

- Chief Risk Officer
- Risk Management Practitioners

Standing Invitees

- Representative: Provincial Internal Audit
- Representative: Provincial Risk Management Support
- Any other employee and/or external parties deemed necessary

6. ROLES AND RESPONSIBILITIES

In carrying out its responsibilities, the Risk Committee must at all times recognize that primary responsibility for the management of the department rests with the Accounting Officer.

The responsibilities of the Risk Committee may be revised or expanded from time to time in writing and recommendation by the Risk Committee, through its Chairperson for approval by the Accounting Officer.

In discharging its risk management responsibilities, the Risk Committee will:

- Collaborate with the Accounting Officer and Executive Authority in setting an appropriate tone by supporting and being seen to be supporting the Department's objectives for the effective management of risks;
- Review and recommend for the approval of the Accounting Officer the: risk management policy; risk management strategy; risk management implementation plan; and the Department's risk appetite;
- Review and recommend for the approval of the Accounting Officer the: Fraud Prevention Plan and Implementation Plan;

- Review and recommend for the approval of the Accounting Officer the Department's risk identification and assessment methodologies, after satisfying itself of their effectiveness in timeously and accurately identifying and assessing the Department's risks;
- Evaluate the extent and effectiveness of risk management integration within the department;
- Evaluate the effectiveness of mitigating strategies to address the material risks of the Department;
- Report to the Accounting Officer any material changes to the risk profile of the Department;
- Review any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses;
- Set out the nature, role, responsibility and authority of the risk management function within the Institution for approval by the Accounting Officer, and oversee the performance of the risk management function;
- Provide proper and timely reports to the Accounting Officer on the state of risk management, together with aspects requiring improvement accompanied by the Committee's recommendations to address such issues.
- Evaluate the effectiveness of the implementation of the fraud and corruption prevention strategy.
- The assessment of a departmental ethical climate and values and whether ethics is incorporated into everyday workplace culture.
- Monitor and assess the implementation of the risk management policy and strategy (including the implementation plan).
- Monitor and assess the implementation of the fraud prevention plan (including associated implementation plans);
- Ensure that risk assessments happen on a regular basis to ensure the identification of emerging risks; and
- Report to Audit Committee to share information relating to material risks for their advice and input.

7. MEETINGS

- 7.1 The Risk Committee shall meet at least four times per annum. The Chairperson of the Risk Committee convenes the meetings, where the Chairperson is not available the Deputy Chairperson may convene the meetings with a majority of the Risk Committee members.
- 7.2 If a Risk Committee member is unable to attend the meeting, the member should send a representative (as a proxy) and a written report of progress made against their areas of responsibility must be given to the Chief Risk Officer (prior to the meeting taking place) identifying the key issues that should be raised.
- 7.3 All apologies shall be in writing before the day of the meeting.

8. QUORUM

8.1 A quorum of the Risk Committee consists of 50% plus one member.

8.2 The quorum for decision-making purposes shall be 50% plus 1 of the members present.

9. ADMINISTRATIVE DUTIES

9.1 The Chief Risk Officer, or such person as appointed by the Chief Risk Officer, shall be the secretary of the Risk Committee. The secretary shall forward the notice of each meeting of the Committee to all members no later than five working days before the date of the meeting. The notice shall confirm the venue, time, date, and agenda and include the documents for discussion.

9.2 The minutes of the meetings shall be completed by the secretary and sent to all relevant officials for comment within seven working days after the meeting.

9.3 The minutes shall be approved the immediately following meeting, whereupon the approved minutes will be circulated to all attendees within three working days.

10. PERFORMANCE EVALUATION

The Risk Committee and its members will undertake an annual self-assessment of its performance. The assessment will include how the Risk Committee as a collective has fulfilled its duties and responsibilities as stated in these Terms of Reference.

11. CONFLICTS OF INTEREST

If a matter arises, in which a Committee member is implicated or there may be a conflict of interest, the Risk Committee member shall recuse him/herself from the meeting or part thereof.

12. REVIEW OF THE CHARTER

The Committee must annually review its charter to ensure that it remains relevant to the Risk Committee's authority, objectives and responsibilities. All changes or amendments to the Charter must be discussed and approved by the Accounting Officer.





13. APPROVAL OF CHARTER

The Charter was reviewed and endorsed for approval by the Risk Committee as follows:

Name : Mr. M. Mkhabela

Designation : Risk Committee Chairperson

Date : 21/04/23

Signature : 

The Risk Management Committee Charter was approved by the Accounting Officer as follows:

Name : Mr. M.I Kgantsi

Designation : Head of Department

Date : 26/04/26

Signature : 



RISK CHAMPIONS CHARTER 2023/2024



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

TITLE : RISK CHAMPIONS CHARTER
DEPARTMENT : PUBLIC WORKS AND ROADS

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1. Constitution

Risk Champions are appointed according to the provisions of Chapter 17 of the North West Provincial Risk Management Framework.

The framework has been developed in terms of and should be read in conjunction with Sections 38 (1)(a)(i) and 51 (1)(a)(l) of the PFMA, requiring Accounting Officers to ensure their Institutions have and maintain effective, efficient and transparent risk management systems.

The Risk Management Champions are appointed by The Accounting Officer to assist in championing particular requirements of the risk management processes. A Risk Champion is an official with the skills, knowledge, leadership qualities and power of office required to champion a particular requirements of risk management.

2. Composition

2.1 Knowledge and capacity

- The nominated officials should have knowledge of the Office, including familiarity with the concepts, principles and practices of risk management, such that they can contribute positively to the advancement of Risk Management within the department.
- The Provincial Risk Management Framework further provides that Risk Champions should possess the following towards fulfilling their functions:
 - ✓ A good understanding of risk management concepts, principles and processes;
 - ✓ Good analytical skills;
 - ✓ Expert power;
 - ✓ Leadership and motivational qualities; and
 - ✓ Good communication skills.

2.2 Level of Risk Champions

Risk Champion is defined consistent with the Public Sector Risk Management Framework as, "A person who by virtue of his/her expertise or authority champions a particular aspect of the risk management process, but who is not the risk owner".



A Risk Champion is usually an existing member of the senior management within the department, however another level may be nominated that fit the qualities required.

The Accounting Officer shall appoint officials across the department with appropriate skills, leadership and qualities to champion aspects of Risk Management including resolution of risk related challenges.

2.3 Authority of Risk Champions

The Risk Champions are by virtue of their seniority within the organizational organogram expected to influence a high level enterprise risk management culture including ensuring sufficient support to risk management systems effectiveness and efficiency.

3. Roles and Responsibilities

The Risk Champions shall be responsible for the following functions:

- Intervene on instances where the risk management efforts are being hampered, for example, by the lack of co-operation by Management and other officials and the lack of institutional skills and expertise;
- Assist in coordinating programme/district/unit risk management awareness sessions;
- Serve as first contacts with regard to risk management issues within the programme/district/unit;
- Intervene in resolving escalated challenges pertaining to risk management and related processes within the programme/district/unit;
- Provide support in ensuring success and credibility of periodical risk reviews (Operational, Strategic, Fraud risks) and risk assessment sessions by both Risk Management sub-directorate and all assurance providers i.e. Internal/External auditors etc.;

4. Training and Development

The Risk Champions shall be trained and developed through internal and external training mechanisms to ensure efficient risk management systems implementation.

5. Term of Appointment

- The Risk Champions term of appointment shall be linked to the term of employment contract or cease upon instruction by The Accounting Office;



- The Accounting Officer shall upon resignation, termination of contract of employment under any circumstances, vacation of the position for any reason by the Risk Champion appoint another official.

6. Reporting


- The Risk Champions shall report to the Accounting Officer upon request by the latter to provide a report.
- The Risk Champions shall also provide feedback on risk management issues escalated by The Chief Risk Officer requiring their intervention and/or expert advice.

7. Review of the charter

The Risk Champions Charter shall be reviewed annually.

Endorsed by the Risk Management Committee:

Signature:



Date:

21/04/23

Approved by the Head of Department:

Signature:



Date:

26/04/23



ANTICORRUPTION AND FRAUD PREVENTION STRATEGY 2023/2024



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

POLICY TITLE : ANTI-CORRUPTION AND FRAUD PREVENTION STRATEGY
DEPARTMENT : PUBLIC WORKS AND ROADS

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1. Introduction

- 1.1 This document is the Anti-Corruption & Fraud Prevention strategy for the Department of Public Works and Roads (DPWR) and is intended to meet specific requirements of the PFMA as part of a prioritised risk. This strategy is based on the prevention and combating of corrupt activities (Act 12 of 2004). The strategy will continuously evolve as the department makes changes and improvements in its drive to promote ethics, manage and prevent fraud risk from materialising.

2. Purpose

- 2.1 The purpose of this document is to provide guidance to enable the Department to implement a Fraud and Corruption Prevention Strategy and develop an Anti-Corruption & Fraud Prevention Plan to combat fraud and corruption.

3. Statement of attitude to Fraud and Corruption

- 3.1 Fraud and corruption represent a significant potential risk to government's assets, service delivery efficiency and reputation. The department has adopted a zero tolerance to corrupt or fraudulent activities whether internal or external and will vigorously pursue and prosecute any party by all legal means available which engage in or attempt to engage in these activities.

4. Definition of Fraud and Corruption

- 4.1 Fraud means the unlawful and intentional misrepresentation which can lead to actual or potential disadvantage to another individual or group, an intentional deception made for personal gain.
- 4.2 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 in a manner that amounts to:
- 4.2.1 Illegal or unauthorised performance of other person's powers, duties or functions
 - 4.2.2 Abuse of authority, a breach of trust or the violation of a legal duty or a set of rules
 - 4.2.3 Achievement of an unjustified result or
 - 4.2.4 Any other unauthorised or improper inducement to do or not to do anything is guilty of the offence of corruption.



- 4.3 Corruption in its wider meaning and as referred to in this document, includes any conduct or behaviour where a person accepts, agrees or offers any gratification for him/ her or another person where the purpose is to act dishonestly or illegally. Such behaviour also includes the misuse of material or information, abuse of a position of authority or a breach of trust or violation of duty.

5. Principles of the strategy

5.1 The main principles of the strategy are the following:

- Creating a culture which has zero tolerance to fraud;
- Deterrence of fraud;
- Preventing fraud which cannot be deterred;
- Detecting of fraud;
- Investigating detected fraud;
- Taking appropriate actions against those found guilty of committing fraud e.g. prosecution, discipline etc., and
- Applying sanctions which includes redress in respect of financial losses.

6. Components of the strategy

- Public Sector Code of conduct;
- Policies, procedures, rules and regulations and other relevant prescripts;
- Disciplinary code and procedure;
- Financial misconduct policy;
- Internal controls;
- Physical and information security management;
- Internal Audit;
- Ongoing risk assessment which includes fraud detection approaches;
- Reporting and monitoring of allegations;
- An Anti-Corruption & Fraud Prevention Strategy and Anti-Corruption & Fraud Prevention Plan which includes the policy stance of the Department and steps for the reporting and resolution of allegation and incidents of fraud;
- A whistle blower protection clause in order to limit the risk of non-compliance with the provision of the protected disclosure Act; and
- Creation of awareness among the employees and other stakeholders through communication and education of the code and the policy.



7. Strategy on Fraud and Corruption Prevention

- 7.1 This strategy is established to facilitate the development of controls to assist in the prevention and detection of fraud and corruption, as well as to provide guidelines on how to respond should instances of fraud and corruption be identified.

8. Scope

This strategy applies to all employees, stakeholders, contractors, vendors/ suppliers and any other party doing business with the Department.

9. Preventative actions

- 9.1 Department of Public Works and Roads has a zero tolerance policy to fraud and corruption, maladministration and any other dishonest activities of similar nature. Such activities will be investigated and actions instituted against those found responsible. Such actions may include the laying of criminal charges, civil and administrative actions and recoveries where applicable.
- 9.2 Prevention, detection and preliminary investigation will be done in-house while the investigation will be by the Provincial Anti-Corruption/ Forensic Unit.
- 9.3 It is the responsibility of all employees to report all incidents of fraud and corruption that may come to theirs or their supervisor's attention. Alternatively, such reports may be submitted to the Provincial Anti-Corruption Unit through the national hotline.
- 9.4 All reports received will be treated with the requisite confidentiality and will not be disclosed or discussed with parties other than those charged or investigated in terms of such reports. The origin of such reports will not be disclosed to the accused.
- 9.5 All managers are responsible for the detection, prevention and reporting of fraud and corruption, within their areas of responsibility in terms of sec 45 of the PFMA (Act 1 of 1999) as amended.
- 9.6 The Accounting Officer will appoint Risk Management Committee (RMC) to monitor implementation of the strategy.



10. Actions constituting Fraud and Corruption

10.1 Fraud and corruption manifests in a number of ways and varying degrees of intensity and these include but are not limited to:

- Unauthorised private use of the department's assets, including vehicles;
- Falsifying travel and subsistence claims;
- Submitting claims for trips not undertaken;
- Staying away from work without filling in a leave form;
- Conspiring unfairly with others to obtain a tender;
- Disclosing proprietary information relating to a tender to outside parties;
- Accepting inappropriate gifts from suppliers;
- Employing family members or close friends;
- Operating a private business during working hours;
- Using the resources of the employer to conduct own business;
- Stealing equipment or supplies from work;
- Accepting bribes or favours to process requests;
- Accepting bribes or favours for turning a blind eye to a service provider who does not provide an appropriate service;
- Submitting or processing false invoices from contractors or other service providers;
- Misappropriating fees received from customers, and avoiding detection by not issuing receipts to those customers;
- Receiving kickbacks.

11. Preventing Fraud

11.1 Code of conduct

The code of conduct for public servants is applicable and acts as a guide to the DPWR employees as to what is expected from an ethical point of view.

11.2 Fraud Risk Assessment

The fraud risk assessment will be conducted annually, fraud risks will be identified and monitoring and evaluation of those risks will be conducted quarterly.



11.3 System, policies, procedures, rules and regulations

11.3.1 The Department has a number of policies, procedures and regulations designed to ensure compliance with government legislations and limit risks including the risks of fraud and corruption. Fundamentally, all DPWR employees must comply with the principles inherent in the PFMA and Treasury Regulations.

11.3.2 The Department is committed to ensuring that thorough pre-employment and security clearance screening is conducted for all candidates applying for sensitive positions. This will be extended to include the conducting of appropriate checks to verify qualifications submitted by candidates due for promotion or transfers to other posts.

11.4 Disciplinary code and procedures

11.4.1 The disciplinary code and procedures of the department prescribes appropriate steps to be taken to resolve disciplinary matters.

11.5 Internal controls

11.5.1 Prevention controls, detection controls and segregation of duties are basic internal controls designed to prevent and detect fraud and corruption. These are embedded in the policies, procedures, regulations and other prescripts and are implemented to limit fraud and corruption.

11.6 Physical and information security

11.6.1 Recognising that effective physical security is one of the “front line” defences against fraud and corruption, the Department will take regular steps to improve physical security and access control at its offices in order to limit the risk of theft of assets.

11.6.2 All employees must be sensitised on a regular basis to the fraud risk associated with information security. There should be adequate access controls to limit the risk of manipulation of data.

Regular review will be conducted and weaknesses identified during these reviews will be addressed.



12. Detecting and Investigating Fraud and Corruption

12.1 Internal Audit

12.1.1 Provincial Internal Audit will assist the Department in improving the effectiveness of operations, risk management, controls and governance. This is further intended to promote good governance within the Department.

12.2 Reporting and monitoring

12.2.1 The Risk Management Unit will ensure that communication process is effective thereby ensuring that all employees know which steps to take and where to report allegations and incidents they witness. The department will use the National Anti-Corruption Hotline 0800 701 701.

13. Further Implementation and Monitoring

13.1 Creating awareness

This component of the strategy comprises of two approaches; namely education and communication.

13.1.1 Education:

The department will ensure that fraud material is globalised and handed to employees to adhere to all applicable regulations to enhance their understanding of the manifestation of fraud and corruption, prevention and detection techniques and the components of the strategy.

13.1.2 Communication:

The objective of the communication strategy is also to create awareness of the plan amongst the employees and other stakeholders. This is intended to facilitate a culture where all stakeholders strive to contribute towards making the strategy successful as well as for the sustaining of a positive culture within the department. This will increase the prospect of fraud and corruption being reported and improve the department's presentation and detection ability and address negative perceptions of the department.



14. Controls for the Fraud and Corruption Prevention Strategy

The approach in controlling fraud and corruption will focus on the three areas listed below;

1. Structural strategies
2. Operational strategies
3. Maintenance strategies

14.1 Structural strategies

The structural strategies represent the actions to be undertaken in order to address fraud and corruption at the structural strategies.

Responsibilities for fraud and corruption risk management

The following sections outline the fraud and corruption risk management responsibilities associated with different roles within the department;

14.1.1 Accounting Officer

The Accounting Authority/Officer bears the ultimate responsibility for fraud and corruption and risk management within the Department. This includes the coordination of fraud risk assessment, overseeing the investigation of suspected fraud and corruption and facilitation for the reporting of such instances.

14.1.2 An ethical culture

The department is required to conduct itself in an ethical and moral way. Ethics are concerned with human character and conduct and deal with questions of right and wrong, appropriate and inappropriate behaviour and what constitutes good or evil. Ethical conduct is based on a set of principles referred to as values or norms. The collective ethical conduct of all the individual employees of a department reflects the department's ethical conduct. In this regard, the highest standards of ethics are required by employees when fulfilling their duties.

Good governance indicates that institutions should develop codes of conduct (ethics) as part of their corporate governance frameworks. All employees are expected to abide by the Code of Conduct of the department.



14.1.3 Senior management commitment

Senior management must be committed to eradicating fraud and corruption as well as ensuring that the department strives to be perceived as ethical in all its dealings with the public and other interested parties. In this regard, senior management under the guidance of the Accounting Officer will ensure that it does not become complacent in dealing with fraud and corruption and that it will ensure the department's overall fraud and corruption strategy is reviewed and updated regularly. Furthermore, senior management will ensure that all employees and stakeholders are made aware of its overall fraud and anti-corruption strategy through various initiatives of awareness and training.

14.1.4 Employee awareness

The main purpose of fraud and corruption awareness is to assist in the prevention, detection and reporting of fraud and corruption by raising the level of awareness as to how fraud and corruption is manifested in the workplace. In this regard, all employees will receive awareness on the following:

- Anti-Corruption and Fraud Prevention Strategy;
- Code of Conduct for employees;
- Whistle blowing policy;
- Gifts & donation policy;
- Ethics policy;
- Financial disclosure policy;
- How to respond to fraud and corruption and
- Manifestations of fraud and corruption in the workplace.

14.2 Operational Strategies

14.2.1 Internal controls

Internal controls are the first line of defence against fraud and corruption. While internal controls may not fully protect the department against fraud and corruption, they are essential elements in the overall anti-corruption and fraud strategy.

All areas of operations require internal controls, for example:

- Physical controls (securing of assets);



- Supervisory controls (supervising day-to-day issues);
- Analysis of data;
- Monthly and financial statements;
- Reconciliation of bank statements and
- Reconciliation of vote accounts, monthly.

The Provincial Internal Audit will be responsible for implementing an internal audit program which will incorporate steps to evaluate adherence to internal controls.

14.3 Maintenance Strategies

14.3.1 Review of the effectiveness of anti-corruption and fraud prevention strategy.

The department will conduct a review of anti-corruption and fraud prevention strategy annually to determine the effectiveness thereof. The Accounting Officer is ultimately accountable for this review and may appoint a person to take responsibility for this.


15. Review of Anti-corruption and Fraud Prevention Plan

Based on this strategy the department will prepare and implement an anti-corruption & fraud prevention implementation plan that will be reviewed annually or as and when necessary.

Recommended by the Risk Management Committee:

Signature:


Date:


21/04/23

Approved by The Head of Department:

Signature:

Date:


26/04/23



ANNEXURE A: DEPARTMENTAL FRAUD PREVENTION PLAN 2023/24

ACTIVITY	RESPONSIBLE/ DUE DATE	OUTPUTS/ OUTCOMES	Progress to date
Review the Anti-Corruption & Fraud Prevention Policy and Strategy for 2024/25	Chief Risk Officer 31 March 2024	Approved Anti-Corruption & Fraud Prevention Policy and Strategy	
Conduct the Departmental Fraud Risk Assessment	Chief Risk Officer 31 March 2024	Approved Departmental Fraud risk register	
Conduct monitoring & evaluation for the Fraud Risk Register	Chief Risk Officer, All employees. Quarterly	Quarterly Risk Management report	
Conduct Anti-corruption and Fraud Prevention Awareness	Chief Risk Officer 31 December 2023	Attendance of awareness sessions by employees, published awareness material.	



ANTICORRUPTION AND FRAUD PREVENTION POLICY 2023/2024



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

POLICY TITLE: ANTI-CORRUPTION AND FRAUD PREVENTION POLICY

DEPARTMENT: PUBLIC WORKS AND ROADS

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1. Background

The Accounting Officer has committed the Department of Public Works and Roads (DPWR) to a process of Fraud Risk management that is aligned to the principles of the Public Finance Management Act (PFMA), Act 1 of 1999 as amended by Act 29 of 1999.

The provisions of Section 38(1)(a)(i) of the Public Finance Management Act stipulates that the Accounting Officer 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.

Furthermore, sections 3.2.1 and 27.2.1 of the Treasury Regulations require that fraud risk assessment is conducted on regular basis and a risk management strategy, which includes a fraud prevention plan, be 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.

2. Purpose

The primary objective of this Policy is to:

- Prevent fraud and encourage a culture of zero tolerance towards fraud and corruption.
- Re-enforce the Government policies, processes, procedures, regulations and other prescripts in place to ensure an environment that is not susceptible to fraud and corruption.

3. Scope of the Policy

This policy applies to the department as a whole.

4. Policy Statement

Fraud represents a significant potential risk to the Department's assets, service delivery efficiency and reputation. The Department will not tolerate fraudulent or corrupt activities, whether internal or external to the Department, and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.



5. The Concept of Fraud Prevention

Fraud prevention is a process that is adopted by the department, by putting mechanisms in place, to manage vulnerability to fraud and corruption. Such mechanisms are designed to prevent, deter and detect fraud.

As part of the Enterprise Risk Management (ERM), it is the responsibility of the Accounting Officer to establish structures to address the threat of fraud.

6. Incident Management Procedures

The department will follow incident management procedures to ensure uniformity in the reporting and investigation of suspected fraud and corruption.

- Reporting of suspected incidents through whistleblowing channels;
- Preliminary investigation of incidents reported;
- Referral for Investigation;
- Involvement of other law enforcements agencies;
- Procedure in taking resolutions; and
- Recovery of loss.

7. Anti-Corruption and Fraud Prevention Programmes

The following policies and processes assist the department in its goal to address the risk of fraud and corruption:

- Recruitment policy;
- Accounting and operational policies;
- Fraud awareness training (indicators of fraud);
- Fraud awareness audit;
- Fraud risk assessment;
- Anti-corruption & fraud prevention strategy;
- Code of ethics and conduct.
- Declaration of financial interest
- Gift and Donations policy
- Loss control policy
- Supply Chain Management policy



8. Role players

The management of fraud and corruption is the responsibility of all employees in the department, with the support of other structures in place.

8.1 Risk Management Oversight

8.1.1 Executive Authority (MEC)

The Executive Authority takes an interest in fraud risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the department against significant fraud risks.

8.1.2 Audit Committee

The Audit Committee is an independent committee responsible for oversight of the department's control, governance and risk management. The responsibilities of the Audit Committee with regard to fraud risk management are formally defined in its charter. The Audit Committee provides an independent and objective view of the department's fraud risk management effectiveness.

8.1.3 Risk Management Committee

The Risk Management Committee is appointed by the Accounting Officer to assist them to discharge their responsibilities for fraud risk management. The committee's role is to review the fraud risk management progress of the department, the effectiveness of fraud risk management activities, the key fraud risks facing the department, and the responses to address these key fraud risks.

8.2 Risk Management Implementers

8.2.1 The Accounting Officer

The Accounting Officer/ Authority is accountable for the department's overall governance of fraud risk. By setting the tone at the top, the Accounting Officer promotes accountability, integrity and other factors that will create a positive control environment.

8.2.2 Management

Management is responsible for executing their responsibilities outlined in the fraud risk management strategy and for integrating risk management into the operational routines.



8.2.3 Other Officials

Other officials are responsible for integrating fraud risk management into their day-to-day activities. They must ensure that their delegated risk management responsibilities are executed and continuously report on progress.

8.3 Risk Management Support

8.3.1 Chief Risk Officer

The Chief Risk Officer is the custodian of the Fraud Prevention Strategy, and coordinator of fraud risk management activities throughout the department. The primary responsibility of the Chief Risk Officer is to bring to bear his/her specialist expertise to assist the department to embed risk management and leverage its benefits to enhance performance.

8.3.2 Risk Champion

The Risk Champion's responsibility involves intervening in instances where the fraud risk management efforts are being hampered, for example, by the lack of co-operation by Management and other officials and the lack of departmental skills and expertise.

8.3.3 Provincial Risk Management Unit

The Provincial Risk Management Unit monitors and assess the implementation of risk management, build risk management capacity and enforce the Public Finance Management Act.

8.4 Risk Management Assurance Providers

8.4.1 Internal Audit

The role of the Internal Auditing in fraud risk management is to provide an independent, objective assurance on the effectiveness of the department's system of fraud risk management. Internal Auditing must evaluate the effectiveness of the entire system of fraud risk management and provide recommendations for improvement where necessary.

8.4.2 External Audit

The external auditor (Auditor-General) provides an independent opinion on the effectiveness of fraud risk management.



8.4.3 Anti-Corruption & Forensic Management Unit (Office of the Premier)

The Anti-Corruption & Forensic Management Unit facilitates and monitors the implementation of the Minimum Information Security Standards (MISS) and Anti-Corruption initiatives. The Unit also investigate the Departmental Forensic and Fraud cases as and when requested.

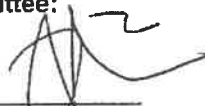
9. Policy review

This Policy shall be reviewed annually to reflect the current stance on anti-corruption and fraud.

Recommended by the Risk Management Committee:

Signature:

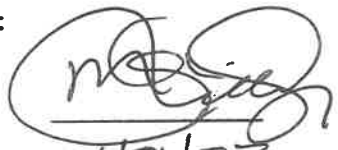
Date:


21/04/23

Approved by the Head of Department:

Signature:

Date:


24/04/23



FINANCIAL DISCLOSURE POLICY

2023/2024



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

POLICY TITLE: FINANCIAL DISCLOSURE POLICY

DEPARTMENT: PUBLIC WORKS AND ROADS

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1. POLICY STATEMENT

This is the policy of the Department of Public Works and Roads to exercise its function, therefore all employees have an obligation to avoid or mitigate situation in which their personal interest might conflict, or appear to conflict with the interests of organ of state.

Conflicts of interest may arise in many types of situations, such as when financial or other outside interests produce conflicting loyalties, affect the job performance, or are against the interests of Department.

The Financial Disclosure is intended to identify such potential and actual conflicts of interest so that they may be assessed and mitigating actions taken to limit or eliminate associated risks.

In observing the highest standards of integrity, the Department has a duty to ensure that designated officials disclose in full, any potential financial conflicts of interest concerning activities conducted outside the Department's operations that exceed the designated thresholds as indicated in the PSR and are likely to affect decisions taken within the Department.

Financial interests to be disclosed may include the following:

- Shares and other financial interests in any private or public company;
- Directorships and partnerships;
- Interests in land and property, including intellectual property;
- Loans and sponsorships;
- Income from financial interests such as dividends, interest, royalties and rent and

2. PURPOSE AND OVERVIEW

The purpose of this Policy is to promote ethical behaviour among employees in the department, reduce possible, perceived and potential conflict of interest.

It is to assist Departmental employees designated to file a Financial Disclosure or Declaration of Interest statement in complying with their obligations to avoid personal interests that may or may appear to interfere with the performance of their duties and responsibilities, or appear to adversely influence the integrity, independence and impartiality required by their status.

When a potential or actual conflict of interest arises, it must be disclosed to the Risk Management Unit or the Ethics Officer



3. GENERAL PROVISION

3.1 Authority

This policy emanates from the requirement of the Public Service Regulations 2016, Chapter 2 Part 2 on financial disclosure, declaration of interest and the determination and Directives on declaration of interest issued by Department of Public Service Administration.

3.2 Scope

This policy applies to all employees at all levels.

1. The ethics officer will conduct the financial disclosure and declaration of interest statement must provide full and accurate information, which may require eliciting the cooperation of immediate family members when they are doing business with the organ of state.

4. REGULATING BEHAVIOUR

The department applies the requirements of Chapter 2, Part 2 Public Service Regulations as it relates to Financial Disclosure.

The requirement to disclose financial interests extends beyond members of the SMS as indicated in the Public Service Regulations of 2016. Financial Disclosure promotes the level of openness and transparency required in Batho Pele to build trust in public service and more directly, between the Department and the public it serves.

5. THE OBLIGATION TO COMPLETE AND SUBMIT FINANCIAL DISCLOSURE

Section 41(1) (b) (vi) allows the Minister(DPSA) to make regulations relating to the disclosure of financial interest by all designated employees or particular categories of employees and the monitoring of such interests, therefore designated employees will be determined per the directive of the Minister of Public Service and Administration as and when issued.

Financial Disclosures must contain the full particulars of the benefit, those submitted by SMS employees must be sent to the Public Service Commission for verification and review, those of other categories of employees must be verified and reviewed by the ethics officer for possible or actual conflict of interest, thereafter they must be submitted to the Accounting Officer as delegated by the Executive Authority



Designated employees must disclose financial interests as per directive of the Minister (DPSA) through the electronic disclosure system on edisclosure.gov.za, no physical disclosure will be accepted. These electronic submissions should be detailed on disclosure forms which indicate all categories of financial interests for which registration is required and maintained in a registry by the ethics officers.

6. OBLIGATION OF EMPLOYEES

- 6.1 Employees are obligated to comply with all requests for additional information, clarification or verification concerning their financial disclosure
- 6.2 Employees making disclosure pursuant to this policy and the programs thereunder shall certify the information disclosed is true, correct and complete to the best of their knowledge and beliefs.

7. CONFIDENTIALITY

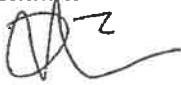
The Financial Disclosure and Declaration of Interest forms and any relevant supporting documentation, information and/or communications either electronic or physical are strictly confidential.

8. NON-COMPLIANCE WITH THE FINANCIAL DISCLOSURE

Failure to comply with the requirements of the Public Service Regulations 2016 and the policy, including the obligation to submit a financial disclosure or declaration of interest constitute misconduct and appropriate disciplinary action shall be taken against the employee.

Recommended by the Risk Management Committee:

Signature: _____



Date: _____

21/04/23

Approved by the Head of Department:

Signature: _____



Date: _____

26/04/23



ETHICS POLICY & STRATEGY 2023/2024



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

POLICY TITLE: ETHICS POLICY/STRATEGY

DEPARTMENT: PUBLIC WORKS AND ROADS

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GLOSSARY OF TERMS

TERMINOLOGY	DEFINITION
Ethics	A set of principles used by Department to establish and guide appropriate conduct.
Ethics Policy	A structured set of guidelines and codes that detail the Department's processes for maintaining ethics.
Ethical decision-making	A disciplined reflection on how to make decisions regarding ethical issues.
Ethics Management	A series of activities that when combined are intended to achieve a sound ethical environment.
Ethics Officer	A person assigned with the responsibilities for managing ethics, and the related obligations for ethics management within the Department.
Conflict of interest	A conflict between the public duties and the private interest of an employee in which said employee may be improperly influenced or result in negative impact on public duties and interest in decision-making.
Organ of state	Any department or administration in the national, provincial or local spheres of government or any institution exercising powers or functions in terms of the constitution.
Compliance	Adhering laws, binding and non-binding regulations, Departmental policies and procedures, local and international best practice principles of ethics and corporate governance.
Remunerative work outside the Public Service	Any business carried out or services rendered for gain or personal benefit by an employee outside his or her employment for which remuneration, a fee or reward is received.
Financial interest	Pecuniary interests in the form of payment for services, equity shares, debt instruments, tangible and intellectual property.
Related party	A person or entity related to an employee of the Department such as a spouse, partner, close family member or business associate.
Internal Controls	Internal controls are any actions (such as reviews, checks and balances, methods and procedures) taken by personnel, management, oversight committees and other parties to manage risk and increase the likelihood that the established objectives and goals of the Department will be achieved.
Ethics Risks	Risks faced by the Department due to negative consequences of unethical behaviour.
Supporting Documentation	An official document that serves as evidence that a compliance activity or intervention was performed.



1. BACKGROUND

The Constitution of the Republic of South Africa, 1996, makes various calls for ethical behaviour by Government employees. Section 195 of the Constitution states that public administration must be conducted with the democratic values and principles enshrined in the constitution, as expressed in the following statements:

- A high standard of professional ethics must be promoted;
- Efficient, economic and effective use of resources must be promoted;
- Public administration must be developed and oriented;
- Services must be responded impartially, fairly, equitably and without bias;
- People's needs must be responded to, and the public must encouraged to participate in policymaking;
- Public administration must be accountable;
- Transparency must be fostered by providing the public with timely, accessible and accurate information;
- Sound human resource management and career development practices designed to maximise human potential must be cultivated;
- Public administration must be broadly representative of the South African people with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past in order to achieve broad representation.

The department has a responsibility to create an environment in which its strategic objectives are achieved with integrity. To channel right behaviour, ethics is propagated by: setting at root level the department's shared beliefs and expectations to encourage ethical reflection and decision-making; developing and implementing supporting structures in the way of policies, procedures and systems and finally, demonstrating ethical values through actions and communications.

In exercising their discretionary powers, an employee may encounter several internal and external factors fraught with risk and uncertainty which may influence their interpretation of the Department's ethical values. This framework intends to assist in systematically addressing ethical situations where ethical conduct is unclear or difficult to discern and strengthens measures established to address



conflicts of interest arising from say, financial interests, acceptance of gifts, and remunerative work outside the public sector.

Therefore guidance to simplify the current working environment has to be created to ensure that the Department adhere to the same values and ethical standards, to promote trust, good behaviour and fairness among all employees.

Ethics is about distinguishing between what is morally right and wrong with the purpose of doing what is right. In an ethical organisation employees will do the right thing for the right reason- not just because the rule says so. Rules and procedures influence individuals' behaviour, but values are what change the culture within the Department.

2. PURPOSE

The purpose of this policy is to drive ethics as a key driver of the turnaround strategy and serve as a medium that provides guidance in:

- Articulating the Department's expectations of professional conduct which in turn assists in upholding accountability for any behaviour with negative impact;
- Developing a common approach in enhancing the quality of ethical decisions made by encouraging all employees to align their decisions with the Department's values and mandate;
- Setting the premise for developing a code of ethics;
- Assisting all employees to identify and resolve ethical dilemmas;
- Increasing the awareness of ethical requirements through education and training on ethics, fraud and corruption, as well as the resources available to address ethical dilemmas;
- Ensuring that the Department as a whole responds in a timely and appropriate manner to potential or actual unethical conduct (including allegations thereof);
- Instilling a compliant and responsible ethical culture benchmarked against the values of the Department and
- Indicating the Department as a good corporate citizen and improving its reputation in the sight of relevant stakeholders and the public.



3. SCOPE

This policy applies throughout the Department in as far as ethics management is concerned.

4. STANDARD OF CONDUCT

- We conduct our operations with honesty, integrity, openness and with respect for the human right and interests of our employees;
- We shall similarly respect the legitimate interest of those with whom we have relationships;
- The Department is committed to diversity in a working environment where there is mutual trust and respect, and also where everyone feels responsible for the performance and reputation of our Department;
- A zero tolerance to discrimination in terms of race, religion or gender will apply;
- We will recruit and employ employees on the sole basis of the qualifications and abilities needed for the work to be performed subject to the Employment Equity Act;
- We are committed to safe and healthy working conditions for all employees and working with employees to develop and enhance each individual's skills and capabilities;
- We will maintain good communication with employees through Departmental based information and consultation procedures;
- Any breaches of the Code must be reported in line with the Whistle Blowing Policy.

5. STANDARD VALUES OF THE DEPARTMENT

The core values of the Department are espoused in the Constitution and Batho Pele principles, and in turn underpin the ethical culture of the department as follows:

Innovation: by tirelessly seeking opportunities for service delivery improvement by thinking freely and not bound by old, non-functional, or limiting structures, rules, or practices.

Integrity: by consistently honouring our commitments, upholding ethical, honest behaviour and transparent communication.

Motivation: by ensuring our best efforts and actions toward the realisation of organisational goals.



Professionalism: by treating our clients with respect and reliably delivering against expectations as required in the principles of courtesy and service standards in Batho Pele.

Accountability: by discharging our duties in a responsible manner in compliance with the relevant laws.

Results-orientated: by knowing what results are important and focusing resources to achieve them as required in the principle of value for money in Batho-Pele.

Teamwork: by respecting diversity while sharing a common purpose and working together in cooperation with each other.

6. ETHICS GOVERNANCE

The department is required to create and promote an ethical organisational culture and to provide guidelines to support the conduct of each employee. The leadership of the department should indicate ethical commitment by setting up formal ethics structures with delegated authority from the Accounting Officer, these include the Ethics Committee and Ethics Officers.

6.1 Ethical Leadership

Strong ethical leadership paves the way for voluntary submission to a moral code of integrity which goes beyond strict legal prescripts. According to Principle 1.2 of the King IV Report on corporate governance, the ethical tone of the department should be set at the top and the executive management should develop strategic objectives rooted within the ethical values upheld by the department.

The ethical leadership of the department should act ethically and create an environment which makes it easy to act ethically by:

- Exemplary personal conduct;
- Allocation of resources to ethics management;
- Supporting ethical initiatives and those who take a principled stand;
- Encouraging employees to discuss ethical matters openly;
- Acknowledging ethical behaviour;



- Timely, consistent and fair dealing regarding unethical conduct.

6.2 Ethics Officers and Ethics Committee

The Accounting Officer should appoint an ethics officer to be responsible for ethics performance with delegated authority to drive ethics and anti-corruption initiatives.

The Ethics Committee provides strategic direction and oversight of ethics management within the department. It reports to the Accounting Officer through its chair of the ethical performance of the department. Officials in the Risk Management Unit should perform the secretariat functions. Meetings, roles and responsibilities should all be conducted in line with the Committee Charter.

The Risk Management Unit which acts as the Ethics Office of the department should perform the day-to-day duties relating to ethics management. The general duties of the Risk Management Unit should include:

- Raising awareness and promoting ethical behaviour within the Department;
- Advising employees on ethical issues and dilemmas;
- Ensuring the integrity of the Department's practices, policies and procedures;
- Identifying and reporting unethical behaviour and corrupt activities through appropriate channels;
- Manage conflicts of interest resulting from financial interest disclosures and external remunerative work;
- Organising ethical training and educative programmes and
- Maintaining a register of employees under investigation for unethical conduct and disciplinary action taken;
- Liaising with DPSA regarding financial interest disclosures.



7. ETHICS MANAGEMENT

Ethics Management sets the platform for systems that promote acceptable behaviour and the right attitude in employees' performance of their official duties within the Department. The Department's interventions to instil and maintain an ethical culture include; setting a clear ethical tone through strong leadership, establishing ethics structures and assigning responsibilities, implementing the ethics management process, conducting independent assessments of the ethics management systems and establishing an ethical culture. The ethics management process includes the following aspects:

7.1 Ethics Risk Assessment/Evaluation

The Public Service Regulation regulations require the Accounting Officer to analyze ethics and corruption risks as part of the department's system of risk management; develop and implement an ethics management strategy that prevents and deters unethical conduct and acts of corruption.

The ethics risks should be analyzed at both strategic and operational level using the risk management structures available to determine the ethics risk profile.

The Risk Management Unit should assist in; identifying and assessing ethics risks, monitoring the implementation of mitigating actions or controls and developing an ethics risk register.

In defining the ethics risk profile, analysis of the following should be performed:

Historic analysis: Desktop analysis of ethical issues that have been uncovered and reported through AGSA, Internal Audit, Hotline, Media, disciplinary hearings and other form of reporting or communication channels available to the Department.

The following risks should be assessed:

- Lack of integrity and honesty of employees;



- Abuse of Department resources;
- Maladministration;
- Increase in unethical and negative behaviour of employees;
- Reputational damage to the Department due to misconduct of employees and
- Lack of public trust due to unresponsiveness.

The Department should also assess and foster the opportunities that ethics management adds to its operations including better working environment and staff retention in light of bringing PMTE into operation, improved service delivery and public trust.

7.2 The Code and Policies

The Code of Conduct acts as a constitution that guides the ethical behaviour of the employees within the department. The department uses a combination of values and rules to provide employees with specific behavioural requirements which also allow for the use of discretion in their decision-making. Therefore the department complements the rules-based Public Service Regulation with its own values to develop a Code of Conduct according to its ethics risk profile. Department should ensure that every employee has been asked to state in a declaration that they understand the Department's expectations regarding ethics and compliance with the Code of Conduct and that they are not aware of any violations thereto. The Human Resource Management Directorate circulates the Code quarterly to all employees and should ensure that declarations and acknowledgement thereof are obtained.

The department should supplement its Code of Conduct with the principles contained in Batho-Pele and formal policies on the following:

- Sexual harassment
- Whistle-blowing
- Fraud investigations

The Code of Conduct and Policies should be reviewed regularly to ensure they address existing and evolving ethical issues appropriately.



7.3 Management of Conflict of Interest

The department must ensure that all designated employees complete and submit their financial interest as per requirements of the Public Service Act, Public Service Regulations and applicable directives.

The ethics officer has to ensure that potential and actual conflict of interest is managed through verification and review of financial interests disclosed by employees, as well as implementing the framework and strategy for lifestyle audits.

7.4 Remunerative Work Outside Public Service

All employees in the department must comply with the requirements of section 30 of the Public Service Act of 1994 and its amendments.

The Act states that;

- (1) No employee shall perform or engage himself or herself to perform remunerative work outside his or her employment in the relevant department, except with the written permission of the executive authority of the department.
- (2) For the purposes of subsection (1) the executive authority shall at least 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 employee's functions in the department or constitute a contravention of the code of conduct contemplated in section 4(l)(b)(v).
- (3) (a) The executive authority shall decide whether or not to grant permission, contemplated in subsection (1), within 30 days after the receipt of the request from the employee in question.
(b) If the executive authority fails to make a decision within the 30 day period, it would be deemed that such permission was given



8. EDUCATION AND TRAINING ON ETHICS

Ethics training communicates to employees the importance of the department's ethical values and the perils of unethical behaviour. In addition to the anti-corruption and fraud awareness workshops held by the Risk Management Unit and the presentation of the code of conduct at the induction of new employees by the Labour relations Unit, the department should conduct ethics training annually on ethical values and principles to uphold, ethical expectations of the department and accountability of employees.

Training equips employees to identify and address ethical dilemmas in their line of duty. The ethical tone set at the top and in the middle hierarchy of the department should actively drive and reinforce the training initiatives, including championing communications on ethics to their teams.

Because of its evolving nature, ethics is not a matter of ticking a box and the appropriate conduct may not always be easy to simulate.

The training programs should therefore be diverse and Risk Management Unit should:

- Structure ethics educational programs to extend over a period of time based on the premise that ethics is embedded over time;
- Include training on conflict resolution and emotional intelligence to equip employees with the necessary interpersonal skills required to intervene and address unethical situations or conduct;
- Diversify ethics training with opportunities to address ethical dilemmas experienced outside the Department and
- Make available information on professional and business ethics.

The annual training goals of the department should be outlined at the onset of each year, reviewed and re-evaluated on an ongoing basis. Information drawn from risk and culture assessments should also be incorporated into the education and training initiatives. It is imperative that the Department communicate its expectations of personnel in terms of the ethics education and training and whether it will be compulsory or voluntary. A variety of tools can be employed including online education for broad audiences and face-to face interactive sessions and workshops.



9. ACTS OF MISCONDUCT (General notice 1568 of 2009)

Any official will be guilty of misconduct if he or she (this list is not exhaustive)-

- Without permission possesses or wrongly uses the property of the Department or that of another official and or visitor;
- Wilfully, intentionally or negligently damages and or causes loss of property;
- Endangers the lives of self or others by disregarding safety rules or regulations;
- Prejudices the administration, discipline or efficiency of the Department;
- Steals, bribes, or commits fraud;
- Accepts any compensation in cash or otherwise from a member of the public or another official for performing his or her duties without written approval;
- Discriminates against others on the basis of race, gender, disability, pregnancy, ethnic and social origin, colour, age, etc.
- Without written approval performs work for compensation in a private capacity for another person or organisation either during or outside working hours;
- While on duty conducts him/herself in an improper disgraceful and unacceptable manner.

10. CONCLUSION

Rules and procedures influence individuals' behaviour but values are what change the culture within the Department. Adherence to this Code of Ethics by all employees is one of the important ways we can merit the confidence and support of the public.

Organisational integrity by understanding the Departmental policies, procedures and legislation applicable will assist with achieving our vision.



11. POLICY COMPLIANCE

An employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

12. POLICY REVIEW

This Policy shall be reviewed annually to determine its adequacy and effectiveness for current circumstances.

Recommended by the Risk Management Committee:

Signature:



Date:

21/04/23

Approved by the Head of Department:

Signature:



Date:

26/04/23



ANNEXURE A: DEPARTMENTAL ETHICS MANAGEMENT PLAN 2023/24

ACTIVITY	RESPONSIBLE OFFICIAL DUE DATE	OUTPUTS/ OUTCOMES	Progress to date
Review the Ethics Policy & Strategy for 2024/25	Ethics Officer 31 March 2024	Approved Ethics Policy/Strategy	
Ethics Awareness	Ethics Officer 31 July 2023	Attendance of awareness sessions, Posters and email communications	
Financial disclosures: Complete Declaration of financial interests	SMS Employees 30 April 2023 Other designated employees. 31 July 2023	eDisclosure Reports	
Complete Lifestyle Reviews/Audits	Ethics Officers 31 January 2024	Lifestyle Audit report	
Conduct the Departmental Ethics Assessment	Ethics Officer 31 July 2023	Ethics Assessment Report	
Conduct monitoring & evaluation for the ethics Risk Register	Ethics Officer Quarterly	Quarterly Risk Report	
Management of Remunerative Work outside public service	Chief Risk Officer, EA Continuous	RWOPS Forms, RWOPs Register	



WHISTLE-BLOWING POLICY

2023/2024



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

TITLE : WHISTLE-BLOWING POLICY
DEPARTMENT : PUBLIC WORKS AND ROADS

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1. PURPOSE OF POLICY

The purpose of this policy is to:

- 1.1 Encourage whistle blowing around suspected impropriety within the Department;
- 1.2 Protect those who have blown the whistle against any form of occupational detriment, and;
- 1.3 Provide the procedures in which an employee can disclose information regarding improprieties within the workplace.

2. REGULATORY FRAMEWORK

This policy derives its mandate from the following legislation and prescripts:

- The Public Finance Management Act, 1999 (Act No 1 of 1999);
- Protected Disclosures Act, 2000 (Act No. 26 of 2000);
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);
- A guide for Public Sector Accountability implementing the protected Disclosures Act;
- Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).

3. DEFINITIONS

“Accounting Officer” means Head of Department;

“Department” means the North West Department of Public Works and Roads;

“Employer” means a person:-

- a) who employs or provides work for any other person and undertakes to remunerate such person;
- b) who permits any person to assist in the carrying out of the department's mandate.

“Employee/ Official” means a person who:-

- a) Has been appointed permanently, 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 (1) (b) or 8 (3) (c) of that act; or
- b) Has been appointed on contract in terms of section 8 (1) (c) (ii) of the Public Service Act.

“Occupational Detriment” in relation to the working environment of an employee, means being:-



- a) Subjected to any disciplinary action;
- b) Dismissed, suspended, demoted, harassed or intimidated;
- c) Transferred against one's will;
- d) Refused transfer or promotion;
- e) Refused, or provided with an adverse reference from one's employer;
- f) Threatened with any of the actions referred to above;
- g) Otherwise adversely affected in respect of one's employment, including employment opportunities and work security.
- h)

"Protected Disclosure" means a disclosure made in terms of this policy or the Act;

"Act" means the Protected Disclosure Act, 2000 (Act No. 26 of 2000);

"Whistle blower" means a person who has made a disclosure in terms of this policy or the Act;

"Ethics" means the standard of conduct which indicates how a person should behave based on moral duties and virtues arising from the principle of right and wrong.

4. SCOPE OF APPLICATION

- 4.1 This policy applies to all employees of the Department, including interns and learners.
- 4.2 The policy does not apply to personal grievances, which are dealt with in terms of the existing procedures on grievance, discipline and misconduct.
- 4.3 The policy covers all forms of improprieties, including;-
 - 4.3.1 Financial misconduct;
 - 4.3.2 Failure to comply with a legal obligation;
 - 4.3.3 Health and Safety risks;
 - 4.3.4 Environmental damage;
 - 4.3.5 Criminal offence;
 - 4.3.6 Unfair discrimination;
 - 4.3.7 Corruption and misconduct; or
 - 4.3.8 Attempt to deliberately conceal any of the above matters.



5. RESPONSIBILITIES OF THE EMPLOYER

The department commits itself to a culture that promotes openness, in order to achieve this the following must happen:-

- 5.1 Educating and training employees about the events which constitute fraud, corruption and malpractice and the effect they have to the department;
- 5.2 Involving employees, listening to their concerns and encouraging the appropriate use of the process of whistle blowing as outlined in this policy;
- 5.3 Conducting an investigation on any allegations of fraud and corruption;
- 5.4 Having a strategy to combat fraud and corruption;
- 5.5 Ensuring strict and proper implementation of this policy

6. RESPONSIBILITIES OF THE ANTI-CORRUPTION & FORENSIC MANAGEMENT UNIT (Office of the Premier)

The Anti-Corruption & Forensic Management Unit facilitates and monitors the implementation of the Minimum Information Security Standards (MISS) and Anti-Corruption initiatives. The Unit also investigate the Departmental Forensic and Fraud cases as and when requested.

7. PROTECTED DISCLOSURE

Who can raise a concern?

- 7.1 Any employee who has a reasonable belief that there is corruption, fraud or malpractice relating to any of the matters listed in clause 4.3 of this policy may make a disclosure in terms of the procedure outlined in this policy.
- 7.2 The employee who makes a disclosure as contemplated in clause 6.1 above, must not be driven by malice, bad faith or personal gain in making such a disclosure.
- 7.3 The disclosure referred to above may be made against any form of fraud, corruption, malpractice or likelihood of such, being committed by any manager, another official or group thereof, the employee's own section or different section in the Department.
- 7.4 A disclosure made in terms of this policy and the Act is a protected disclosure provided that it fully complies with the requirements of the Act.



8. PROCEDURE FOR DISCLOSURE

8.1 An employee can make a disclosure to any of the following: -

- The Head of Department;
- The MEC of the Department;
- The Head of Internal Audit;
- Supervisor of such employee;
- A legal practitioner or a person whose occupation involves the giving of legal advice, as contemplated in section 5 (a) of the Act;
- To the National hotline number **0800 701 701**;
- Public Protector
- Auditor General of South Africa (AGSA)
- South African Police Service
- Any other person contemplated in the Act.

8.2 The disclosure may be in writing using the attached Safe Reporting Form (Annexure B) or verbally, all reported matters must be captured on a register for monitoring.

8.3 The employee is entitled to choose any of the persons mentioned in clause 8.1 to whom the disclosure may be made.

8.4 Once a disclosure is received an internal inquiry or a more formal investigation may be undertaken.

8.5 The whistle blower must be informed of the progress made in the investigation as well as the final outcome of the case.

9. PROTECTION OF A WHISTLE-BLOWER

9.1 An employee who has made a disclosure in terms of this policy or the Act may not be subjected to any form of occupational detriment by his or her employer.

9.2 If the whistle blower so wishes, his or her identity must be kept confidential and will not be disclosed without the official's consent.



10. CONTRAVENTIONS

- 10.1 An employee who makes a disclosure in bad faith or who makes an allegation without having reasonable grounds for believing it to be true or who makes it maliciously may be subjected to disciplinary action.
- 10.2 Any person who subject an employee in any form of occupational detriment on account or partly on account of having made a protected disclosure, may be subjected to disciplinary action.
- 10.3 Any person who contravenes or fails to comply with any provision of this policy may be subjected to disciplinary action.

11. REVIEW OF POLICY

This policy will be reviewed annually, or whenever the need arises following normal approval channels.

12. EFFECTIVE DATE OF THE POLICY

This policy is effective from the date of approval by the Accounting Officer.

Recommended by the Risk Management Committee:

Signature:

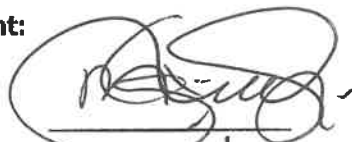


Date:

21/04/23

Approved by the Head of Department:

Signature:



Date:

26/04/23



ANNEXURE A: WHISTLE BLOWING ACTION PLAN 2022-23

Planned Action	Detailed Actions	Outputs	Due date and responsible person	Progress to date
Awareness And Prevention				
Review the whistle blowing policy for 2024/25	Review the policy and recommend to the Accounting Officer for approval.	Approved Whistle-Blowing policy	Chief Risk Officer 31/03/2024	
Whistle-Blowing Awareness	Conduct Fraud and Anti-corruption awareness workshops	Well informed officials on fraud & corruption	Chief Risk Officer 3 rd & 4 th Quarter	
Monitor Anti-corruption Hotline	Review PSC report on reported cases	Monitor progress of cases of fraud & corruption reported through hotline.	Office of the Head of Department	



ANNEXURE B: DEPARTMENTAL SAFE REPORTING FORM

Please provide the following details for any suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the department. Please note that you may be called upon to assist in the investigation, if required.

NB: Please follow the guide as provided in the Whistle-blowing Policy

REPORTERS CONTACT INFORMATION		NB!!(This Section may be left blank if the reporter wishes to remain anonymous)
NAME		
DESIGNATION		
DEPARTMENT / AGENCY		
CONTACT NUMBER/S		
E-MAIL ADDRESS		
COMPLAINT: Briefly describe the misconduct/improper activity and how do you know about it? If there is more than one allegation, number each allegation and use as many pages as necessary. (Separate blank page can be utilised and attached as an Annexure to this Form).		
1. What misconduct / improper activity occurred?		
2. Who committed the misconduct / improper activity?		
3. When did it transpire or when did you notice it transpiring?		
4. Where did it transpire?		
5. Is there any evidence that you could provide to us to substantiate this?		
6. Are there any other parties involved other than the alleged suspect state above?		
7. Do you have any other comments to add?		



DATE OF COMPLAINT:



GIFTS AND DONATIONS POLICY 2023/2024



public works & roads

Department:
Public Works and Roads
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

TITLE : GIFTS AND DONATIONS POLICY
DEPARTMENT : PUBLIC WORKS AND ROADS

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GIFTS POLICY

1. PREAMBLE

The Department of Public Works and Roads recognises that in serving the public interest, executing its business and in applying standard norms, employees may not accept or receive gifts as a means of gratitude or cultural diplomacy.

The acceptance of gifts, hospitality and benefits introduces an element of partiality and threatens the objectivity of employees in conducting their official duties. A general misconception exists in the common belief that a gift may be accepted as long as it is declared. The primary challenge for ethics officers is to ensure full adherence to the requirements of the Code in relation to acceptance of gifts by training employees to take responsibility for avoiding situations in which they may be conflicted. Employees may excuse themselves from making decisions during high risk meetings such as recruitment of staff or procurement of goods and services.

The PRECCA (Prevention and Combating of Corrupt Activities Act) defines gratification to include:

- Money
- Donations
- Gifts
- Loans
- Avoidance of a loss
- Status
- Employment
- Payment or waiver of a loan

The Public Service Regulations prohibit employees of the Department from directly or indirectly soliciting or accepting gifts, hospitality or private benefits of any value from any person, natural or juristic, contracted or transacting with the Department. Employees may not solicit or accept any said benefits for performance or non-performance of their official duties.

Further, any person be it natural or juristic, in rendering services to the Department, is also prohibited from offering gifts, hospitality or private benefits to employees, related parties of the Department or other Departments.



2. PURPOSE

The purpose of this policy is to:

- To give direction and directive to all employees of the Department on matters relating to acceptance and granting of gifts, donations and sponsorships to and by the state;
- Provide guidance on the behaviours expected in accordance with the Public Service Commission values;
- Promote transparency and avoid conflict of interest;
- Ensure fairness in the interests of employees and the Department;
- Comply with the requirements of the law relating to the prohibition of corruption;
- To ensure proper disclosure of all gifts, donations and sponsorships granted and accepted by the department.

The improper acceptance of gifts and hospitality can lead to accusations of bias and even corruption, potentially leading to investigations and possible corrective action and charges.

It is not feasible that a comprehensive set of rules be drawn up to cover every situation. The situation context must be borne in mind, specifically the relationship between the DPWR, the organisation concerned and the role of the individual in that relationship. However, improper acceptance of a gift or hospitality will be viewed in a serious light and may apart from any other consequences, lead to internal disciplinary action.

By ensuring the above is implemented, the Department will be able to:

- Allow employees, where appropriate, to accept and receive gifts provided that these gifts do not interfere with or have the potential to interfere with their responsibilities to the department, improperly influence the judgments expected of them when acting on behalf of the Department, or amount to corruption in anyway.
- Protect employees from misplaced charges of conflict of interest or corruption by providing a mechanism for the acceptance and of gifts by employees.

There are a number of acts, regulations, policies and procedures that influence and enable the process of giving and receiving gifts and as such this policy must be read with the following principles and policies:

- Code of conduct for the Public Service
- The Disciplinary Code and Procedure



- The Public Finance Management Act 1 of 1999 (as amended)
- Prevention and Combating of Corrupt Activities Act 12 of 2004
- Procurement policy and procedures
- Fraud prevention strategy
- Treasury Regulations promulgated in terms of section 78 of the PFMA 1 of 1999

3. DEFINITIONS

“Benefit” shall mean any tangible or intangible advantages or profits gained, such as tickets to sporting or other events, invitations to lunches, dinners, promotions or travel, etc.

“HOD” shall mean the Head of Department/Accounting officer.

“Corruption” shall mean the abuse of a position of employment by offering or acceptance of a benefit that is not legally due, for the commission of an act in connection with that position of employment, as defined in the *Prevention and Combating of Corruption Activities Act, No 12 of 2004*.

“Customers or clients” shall mean existing and potential future customers or clients external to the DPWR.

“DPWR” shall mean the Department of Public Works and Roads

“PSC” shall mean Public Service Commission

“Employer” means a person who:-

- Employs or provides work for any other person and undertakes to remunerate such person;
- Permits any person to assist in the carrying out of the department's mandate.

“Employee” means a person who:-

- Has been appointed permanently, 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 (1) (b) or 8 (3) (c) of that act; or
- Has been appointed on contract in terms of section 8 (1) (c) (ii) of the Public Service Act.

“Gift” shall mean receipts of loans; payments; information or money; services; personal travel; entertainment; gifts or favours from customers or suppliers, or from a person doing or seeking to do



business with the DPWR; any discount; hospitality; tangible or intangible item having monetary value, including but not limited to, cash, food and drink and honoraria for speaking engagements related to or attributable to the DPWR and employment or the official position of an employee.

“Gratification” shall mean gratification as defined in section 1 of the *Prevention and Combating of Corrupt Activities Act No 12 of 2004* (as amended).

“Suppliers” shall mean existing and potential vendors, contactors, sourcing partners, service providers, distributors, and consultants who supply goods or services to the Department, as well as any other third parties who may in future become suppliers or vendors of goods or services to the Department.

4. SCOPE OF APPLICATION

This policy applies to all employees of the Department, including interns and learners. This policy regulates processes and procedures in accordance with existing legal duties and obligations that an employee owes an employer in terms of the law, and should therefore not be construed or applied in a manner contrary to such duties and obligations, nor is it designed to replace such duties and obligations.

5. AUTHORITY & APPROACH

- 5.1 The Accounting Officer will ensure that the requirements of the *Gifts and Donations Policy* are met.
- 5.2 If circumstances warrant it, the Accounting Officer may authorise any amendment in the procedures to be followed in a particular case.

6. CORE POLICY PRINCIPLES

- 6.1 Any acceptance of an offer of a bribe or a commission must however be viewed as illegal and may result in criminal action.
- 6.2 Employees must take great care not to be placed in a situation where their actions might be construed to be improper, may indicate bias towards an organisation or person, or indicate favouritism towards any organisation or person.



- 6.3 The basis for remuneration of employees is their pay and any allowances to which they might be entitled. This must not be supplemented by the acceptance of gifts or hospitality for the work that they perform.
- 6.4 Under no circumstances should an employee attempt to solicit a gift from a contractor, supplier, consultant or a person to whom services are rendered by the DPWR.

7. PROHIBITION ON THE ACCEPTANCE AND RECEIPT OF GIFTS

The employees of the department are required to use their best judgement to avoid situations of real or perceived conflict when they are offered gifts and donation due to their employment. The employees shall not accept, solicit or give gifts, hospitality or any other benefits that may have an influence on their objectivity in carrying out their official duties or that may place them under obligation to the donor.

7.1 General prohibition

- 7.1.1 In accordance with an employee's obligation to act in the best interest of his/her employer, all employees are prohibited from soliciting, accepting or receiving, or from agreeing to solicit, accept or receive, any gifts directly or indirectly.
- 7.1.2 An employee's family is prohibited from soliciting, accepting or receiving any gifts directly or indirectly on behalf of the employee, where such gifts are obtained from suppliers, clients or third parties, and where the employee has a professional relationship with those suppliers, clients or third parties on behalf of the DPWR.
- 7.1.3 In the event of uncertainty as to whether a disclosure should be made in terms of this policy, it is the duty of an employee to seek advice and to make a disclosure as per the appropriate procedures describe below.

7.2 Specifically prohibited gifts

- 7.2.1 All travel and/ accommodation at the expense of suppliers, vendors, clients or third parties by employees or employee's family is specifically prohibited.
- 7.2.2 The acceptance or receipt of cash (bank notes or equivalent) is specifically prohibited.



8. NON-COMPLIANCE AND SANCTION

- 8.1 It is the responsibility of management to ensure that employees know the policy on gifts and gratuities and that it is properly enforced. Employees who have questions regarding this policy or who are uncertain as to whether a conflict of interest exists should confer with their managers or senior managers.
- 8.2 In the event where an employee needs advise or seeks permission from the Accounting Officer or the Ethics Officer, such request or information will be in writing.
- 8.3 Non-compliance with this policy and the procedures described in it may be considered to be gross misconduct and employees may be subject to disciplinary action that could lead to dismissal.
- 8.4 All suspected incidents of corruption and contraventions of this policy should be reported to the Accounting Officer or any other relevant channel including Nation Anti-Corruption Hotline for investigation.

9. DISPUTE RESOLUTION

- 9.1 The success of this policy will depend on the consideration and cooperation of all employees. Any conflicts should be brought to the attention of the appropriate supervisor and if necessary, the Director: Human Resource Management or the Accounting Officer.
- 9.2 The normal disciplinary and grievance policies and procedures of the department should be followed to resolve non-compliance issues.

10. POLICY CONTROLS

10.1 Policy Audit

The departments involved in the executing of the policy may report on the policy and specific problems experienced in the implementation of the policy when deemed necessary.



10.2 Policy Amendment

Amendment to this policy should only be made with the approval of the Accounting officer.

Recommended by the Risk Committee:

Signature:



Date:

21/04/23

Approved by the Head of Department:

Signature:



Date:

26/04/23

