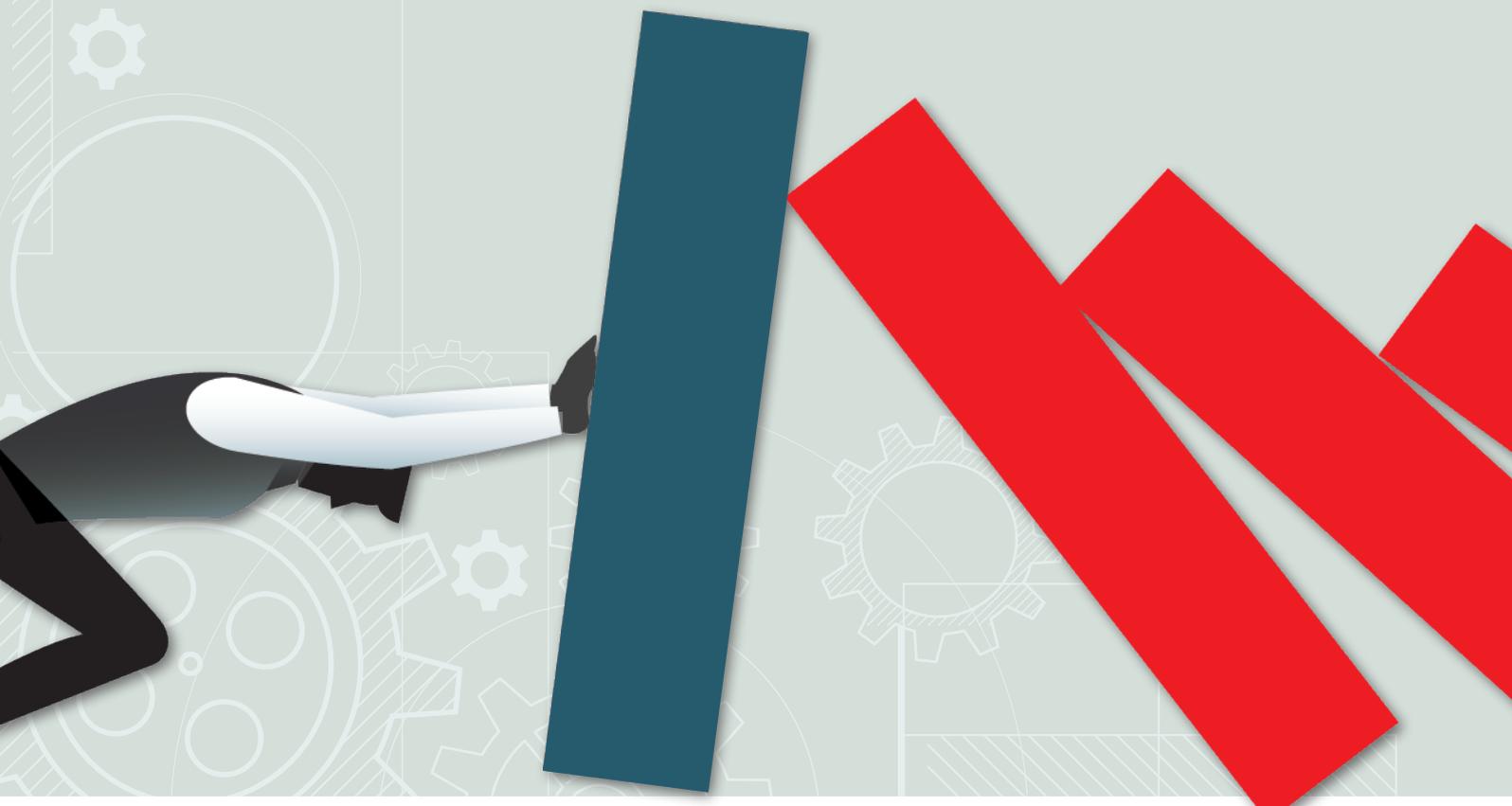


GAUTENG PROVINCIAL GOVERNMENT

THE STATE OF ETHICS, INTEGRITY MANAGEMENT SYSTEMS, AND ANTI-CORRUPTION STRATEGY IN GAUTENG

MAY 2022



GAUTENG ETHICS & ANTI-CORRUPTION

2022 – Gauteng Provincial Government

Copyright in the volume or in part is vested to the Gauteng Provincial Government

Published by the Gauteng Provincial Government

65 Ntengi Pilliso Street
Newtown
Private Bag X61
Marshalltown 2107

Tel: (011) 355 6000
Fax: (011) 834 1796

Gauteng Ethics Hotline
080 1111 633
gpethics@behonest.co.za

National Anti-Corruption Hotline for the Public Service
0800 701 701 (Toll-Free)

Compiled by the:
Chief Directorate: Integrity Management

Distributed by Branch:
Provincial Communication Services

www.gauteng.gov.za

CONTENTS

LIST OF ABBREVIATIONS	5
PART A – STRATEGY AND SYSTEMS	7
1.1 Introduction	8
1.2 Consistency in promoting ethics in Gauteng	8
1.3 National Guidelines	9
1.4 Provincial Guidelines	11
PART B – STRENGTHENING PREVENTION	13
2.1 Introduction	14
2.2 Ethics Management Compliance	14
2.3 Submission of Financial Disclosures	15
2.4 Remunerative Work Outside Public Service	16
2.5 Vetting of Officials	17
2.6 Fraud Risk Management Compliance	18
2.7 Training and Awareness	20
2.8 Gauteng Municipal Integrity Project	20
2.9 Local Government Ethical Leadership Initiative	20
2.10 Conclusion	20
PART C – EFFECTIVE DETECTION	21
3.1 Introduction	22
3.2 Officials doing business with state	22
3.3 Lifestyle audits	23
3.4 Management action	23
3.5 Whistleblowing and reporting mechanisms	23
5.4 Conclusion	24
PART D – COORDINATION AND COLLABORATION ON INVESTIGATIONS	25
4.1 Introduction	26
4.2 Special Investigating Unit	26
4.3 Public Service Commission	31
4.4 Public Protector	32
4.5 Auditor-General of South Africa	34
4.6 South African Human Rights Commission	38
4.7 Provincial Forensic Audits – GPG Forensic Investigations	39
4.8 Conclusion	39
PART E – RESOLUTION AND CONSEQUENCE MANAGEMENT	41
5.1 Introduction	421
5.2 Recommendations and status of implementation	42
5.3 Consequence management	43
5.4 Conclusion	43
PART F – CONCLUSION	47
6.1 Areas of improvement and further interventions	48
6.2 Areas of improvement	48
6.3 Reporting, Monitoring, Evaluation and Compliance	49

LIST OF ABBREVIATIONS

AGSA	Auditor-General of South Africa
COGTA	Cooperative Governance and Traditional Affairs
EA	Executive Authority
EXCO	Executive Council
DG	Director General
DPSA	Department of Public Service and Administration
KPA	Key Performance Area
GEAC	Gauteng Ethics Advisory Council
GDCS	Gauteng Department of Community Safety
GDRT	Gauteng Department of Roads and Transport
GPG	Gauteng Provincial Government
HOD	Head of Department
MACC	Minimum Anti-Corruption Capacity
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
NACH	National Anti-Corruption Hotline
NGO	Non-Governmental Organisations
NDP	National Development Plan
OPSC	Office of the Public Service Commission
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PDA	Protected Disclosure Act
PFMA	Public Finance Management Act
PRECCA	Prevention and Combating of Corrupt Activities Act
PFA	Provincial Forensic Audits
PSACS	Public Service Anti-Corruption Strategy
PSC	Public Service Commission
PSIMF	Public Service Integrity Management Framework
SAHRC	South African Human Rights Commission
SIU	Special Investigating Unit
SMS	Senior Management Service

TERMS AND DEFINITIONS

Integrity	steadfast adherence to a strict moral or ethical code, policy or legal instruments and preceding codes.
Integrity management	is about applying the highest ethical standards to every aspect of what an organisation does i.e. policies; project implementation; recruitment; procurement and engagement with stakeholders. At the core of integrity management in government is ensuring that government operates within the letter of the law and in addition implements aspirational policies to change the organisational culture to integrity-driven one, building trust and public confidence. Integrity management responds to the demand for government to respond to increasing awareness of ethical misconduct and resulting expectations for transparency and accountability.
Ethics	standards of right and wrong that prescribe our rights, obligations and benefits to society. Ethics is about how we ought to live, treat others, run or manage our lives and organisations.
Values	values are a set of beliefs of a person or social group in which they have an emotional investment either for or against something.
Conflict of interest	<p>A conflict between the public duties and private interests of a public servant or public official or office bearer, in which the public servant or public official or office bearer has private interests which could improperly influence the performance of his/her official duties and responsibilities.</p> <p>There are three types of conflict of interest:</p> <ul style="list-style-type: none"> - Actual – undeniable conflict concerning an official’s present obligations and current personal benefits. - Perceived – an official’s personal benefits can wrongly impact or can be seen to wrongly impact the execution of his/her responsibilities. - Potential – an official can in future be distracted in his/her performance by personal interest.
Remunerative work	any work performed by a public servant outside the Public Service for which a reward or payment for services rendered is made
Gauteng City Region	any work performed by a public servant outside the Public Service for which a reward or payment for services rendered is made.
Petty corruption	refers to corrupt activities committed by public servants at the lower and middle levels when executing their duties. Furthermore, the public servants take advantage of citizens who are desperate for basic goods or services.
Grand corruption	corrupt activities that involve senior public servants and politicians whose actions ominously delay the implementation of policies which result in the poor functioning of government because these senior public servants or politicians or their families and friends benefit at the expense of the public.
Public accountability	a requirement that government should report about its programmes and account about how public power and resources are utilised. Public debate must be encouraged on all government activities and work.



PART A

STRATEGY AND SYSTEMS



1.1 Introduction

All over the world, good governance has occupied a centre-stage of how institutions and organisations are managed and led. Integrity, transparency and accountability are key drivers of positive public perceptions of government and other institutions.

On the other hand, corruption, maladministration, abuse of power and poor service delivery undermine development outcomes and further contribute to loss of public confidence and shift public resources away from the development and advancement of society to enrich few individuals.

The Gauteng Provincial Government has spent a considerable effort in introducing reforms aimed at institutionalising integrity and an ethical culture within the system of government and promoting good governance, transparency and accountability.

Between 2014 and 2020, a great deal of energy was invested in setting the tone and changing the culture through measures such as the Open Tender Process, enforcing compliance with public financial management prescripts, assignment of ethics champions in each department and the appointment of the civil society-led Gauteng Ethics Advisory Council. In this period, Gauteng Provincial Government's audit outcomes improved drastically and incidents of financial misconduct and malfeasance has also dropped .

However, during the COVID-19 pandemic, emergency procurement regulations were hijacked and abused to unleash a wave of corruption on Personal Protective Equipment (PPE) procurement and infrastructure projects. The Report of the Commission on State Capture also exposes the sad reality that a more systematic, nation-wide, well-coordinated and properly resourced crackdown on corruption is required to save our democracy from decline and ruin. Any reforms and measures introduced in Gauteng can be a lesson of what works and what doesn't.

President Cyril Ramaphosa has been rebuilding the crime-fighting and corruption-busting agencies of the state and promoting the necessary societal partnerships that will ensure that our democratic ideals and development goals are not undermined by the spectre of corruption.

The Gauteng Provincial Government has drawn a lot of lessons in the work of promoting integrity and clean governance in the period when state capture was wreaking havoc in our country.

This Report serves to demonstrate the tangible actions that have been taken by the Gauteng Provincial Government in promoting good governance, in collaboration with other institutions and agencies such as the Special Investigating Unit, Office of the Public Protector, Auditor General of South Africa, Public Service Commission, Law Enforcement and Security Agencies.

1.2 National Guidelines

1.2.1. Constitution of the Republic of South Africa, 1996

Section 195 of the Constitution of the Republic of South Africa, 1996 stipulates that those entrusted with public resources should ensure that their processes are informed by the democratic values and principles. These values and principles are:

- A high standard of professional ethics;
- Efficient, economic and effective use of resources;
- A development-orientated public administration;
- Provision of services in an impartial, fair and equitable way, without bias
- Responding to people's needs and encouraging the public to participate in policy making;
- Accountable public administration;
- Fostering transparency;
- The cultivation of good human resource management and career-development practices; and
- A representative public administration with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past.

1.2.2. National Development Plan

The National Development Plan (NDP) indicates that South Africa suffers from high levels of corruption that undermine the rule of law and hinder development and socio-economic transformation. The NDP further suggests that overcoming corruption and the lack of accountability in society requires:

- Political will;
- Sound governance arrangements;
- Solid legal foundation; and

- Active citizenry that holds public officials accountable.

These measures are assisting to ensure that by 2030, the language in South Africa shifts from fighting corruption to increasing integrity i.e. from a reactive approach to a more proactive approach with a zero-tolerance to corruption.

1.2.3. Public Service Regulations (2016)

In April 2016, the Minister for Public Service and Administration issued the Public Service Regulations (PSR), 2016, which became effective from 1 August 2016. More importantly, Chapter 2 of the PSR (2016) contains the following key sections:

- Part 1 of Chapter 2 – provides the Code of Conduct for the Public Service which is a useful guide in the promotion of good governance and ethical conduct of public servants. It promotes honesty and integrity in the workplace.
- Part 2 of Chapter 2 – guides on the process of financial disclosures by public servants.
- Part 3 of Chapter 2 – deals with anti-corruption and ethics management in the Public Service.

1.2.4. Building a capable ethical and developmental state

One of the key priorities of the 6th Administration is building a capable, ethical and developmental state. A strong ethical culture is the foundation of clean governance, and this is created through a robust ethics programme that sets expectations for acceptable behaviours in conducting business within departments and with departmental stakeholders. It includes the following, amongst others :

- Effective Executive oversight.
- Strong tone-at-the-top.
- Senior management involvement.
- Awareness of ethics policies and procedures.
- Timely follow-up and investigation of reported incidents.
- Consistent disciplinary action for offenders.
- Ethics training, communications
- On-going monitoring systems.
- An anonymous incident reporting system.

Building a capable, ethical and developmental state is a guaranteed way of not only delivering basic service to the people but is also an ideal way of ensuring efficient, effective and sustainable governance. This is one of the key objectives the Gauteng Provincial Government aims to achieve under its plan of action of Growing Gauteng Together 2030. The Office of the Premier and the Provincial Treasury have been the principal champions of clean governance and both departments have demonstrated power and force of example by achieving clean audits for nine consecutive years – from 2012/13 to 2020/21 financial years.

COVID-19 related corruption is an indication of the resurgence and stubbornness of the corruption pandemic within the system of government. The provincial government has constantly asserted that a capable, ethical and developmental state is an indispensable weapon in our efforts to create the Gauteng of our dreams.

It is no secret that corruption undermines government's ability to deliver services to the people, and it is also no secret that in most cases, disciplinary processes in government take too long while those implicated continue to draw salaries from the state. The current administration believes strongly in ethical leadership and it is working hard to cultivate a culture of clean, accountable, transparent and an active citizenry. To this end, systems and processes have been put in place to fight corruption in the province, and these include the establishment of integrity management units in all Gauteng government departments. It can never be stressed enough that corruption is responsible for poor service delivery, it degrades the fibre of society and reduces the trust that people have in government.

1.3 Provincial Guidelines

The Executive Council approved a strict regime of anti-corruption and integrity guidelines that would ensure that Gauteng achieves and sustains clean governance and administration. These include the Gauteng City Region Anti-Corruption Strategy, the Integrity Management Framework and Policy. These provincial strategic anti-corruption guidelines acknowledge that the eradication of corruption among public servants, business partners and the civil society requires a robust governance structure to give strategic direction on acceptable ethical behaviour in the Gauteng City Region.

In 2017, Premier David Makhura established the civil society-led Gauteng Ethics Advisory Council (GEAC) to exercise oversight and advocacy, provide expertise on matters pertaining to ethical leadership, ethical climate, and advice on the roll out of the national and provincial anti-corruption strategies.

1.3.1. Growing Gauteng Together 2030 (GGT2030)

Growing Gauteng Together 2030 (GGT2030), is a plan of action, that will deliver the Gauteng to its desired destination by 2030 and is doing so by executing seven priorities, 28 strategies and 160 interventions that will provide significant improvements to the lives of the people. The success of the plan will require a skilled, capable, ethical workforce and supporting initiatives to build a developmental state. Therefore, targeting clean governance and ethical leadership is one of the priorities of the GGT2030 Plan in the Gauteng City Region.

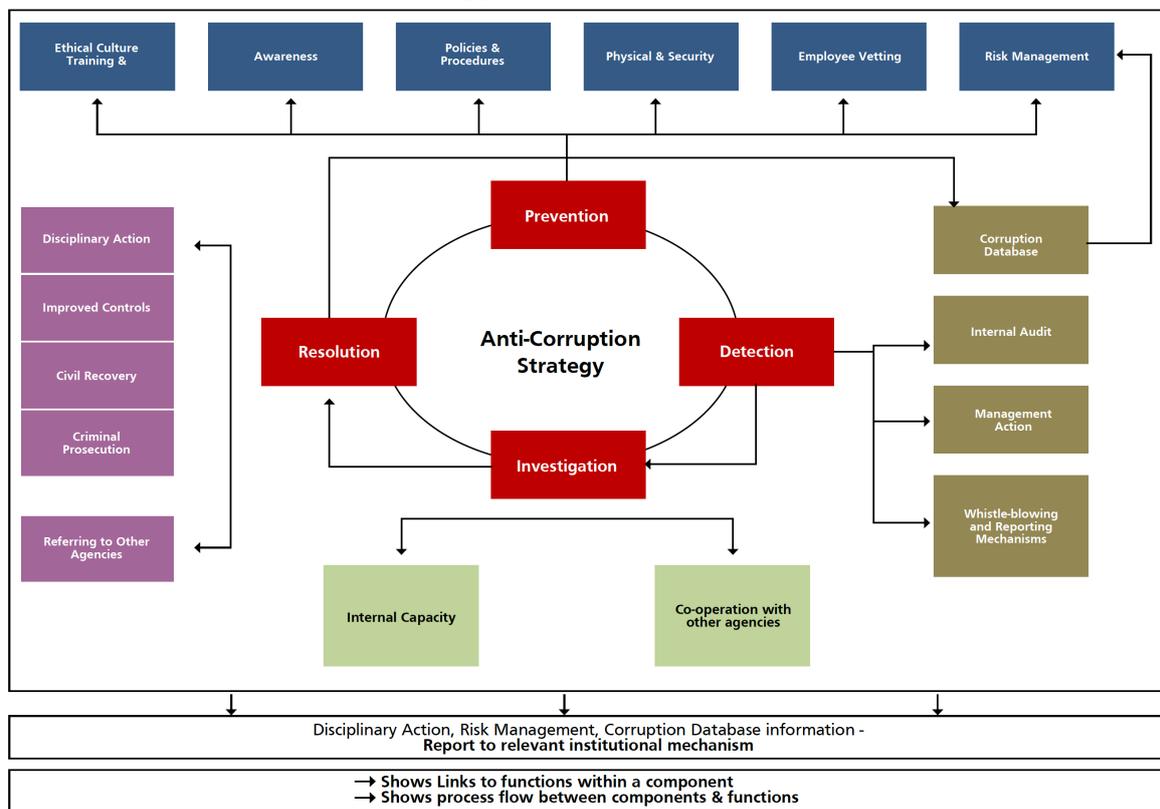
1.3.2. Gauteng Governance Roadmap

The Governance Roadmap proposed, amongst others, to improve governance in the Gauteng City Region: the development of a GPG-wide Integrity Management Policy. In line with the Governance Roadmap, the GCR Integrity Framework and Policy were adopted by the Executive Council, in 2016 – underpinned by the Gauteng Anti-Corruption Strategy. The Integrity Management Framework and Policy seek to change the culture and behaviour of public service, business partners and civil society in building an integrity driven Gauteng City Region.

1.3.3. Gauteng Anti-Corruption Strategy

The Gauteng Provincial Government has adopted anti-corruption strategies that transcend political boundaries and tackle corruption holistically through prevention, detection, investigation and resolution. The pillars of the strategy are guided by the Minimum Anti-Corruption Booklet (DPSA) as demonstrated below:

Diagram 1: Pillars of the anti-corruption strategy

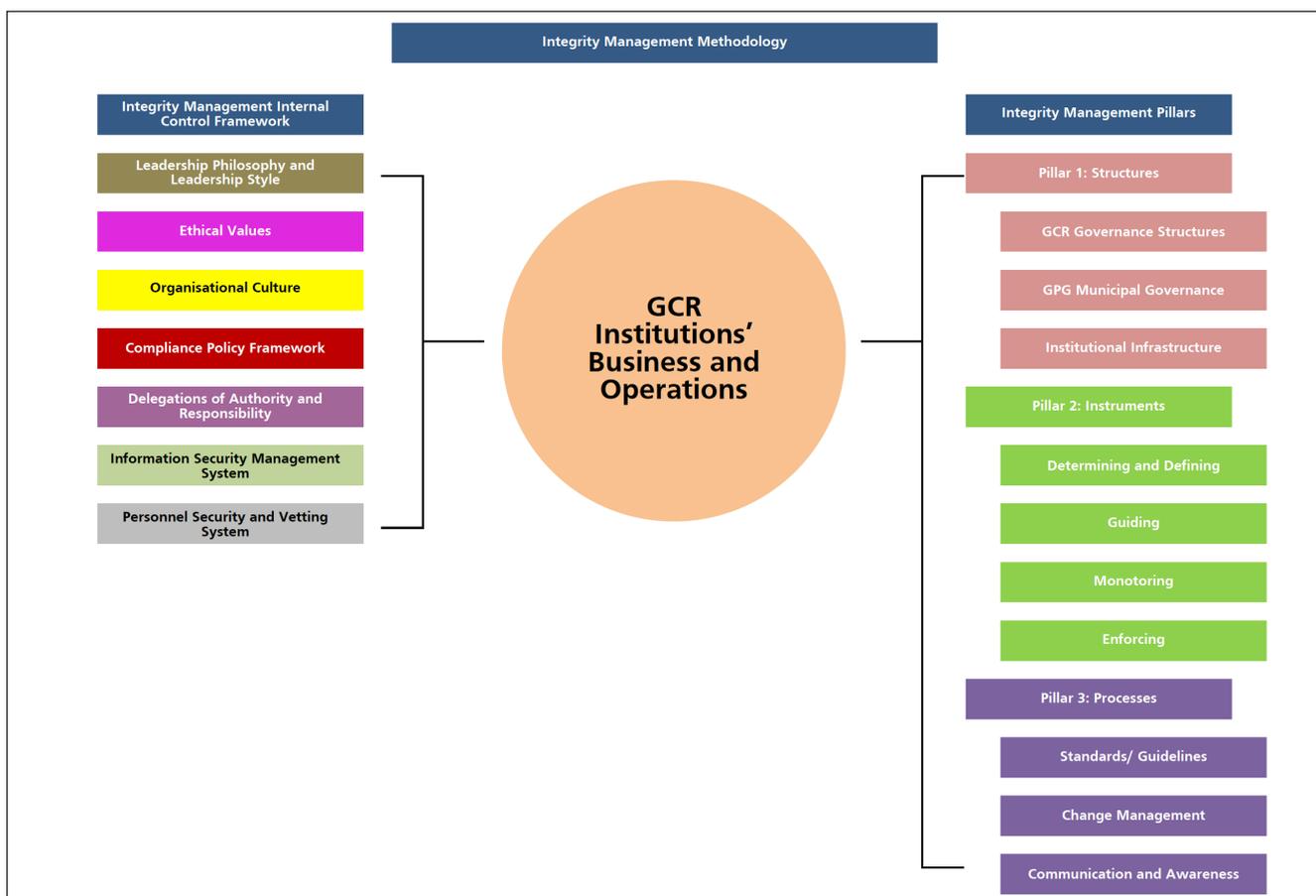


1.3.4. Gauteng Integrity Management Framework

The purpose of the Integrity Management Framework is to change the culture and create systems that embed ethics and integrity at the centre of all decision-making and implementation processes by:

- Providing a comprehensive approach to better integrate Integrity Management into strategic decision-making and day to day activities of the Gauteng City Region institutions;
- Providing guidance for the Gauteng Executive Council, Mayoral Committees, Accounting Officers, Accounting Authorities, managers and staff when overseeing or implementing the development of processes, systems and techniques for managing integrity, which are appropriate to the context of the Gauteng City Region institutions;
- Advancing the development and implementation of modern management practices and to support innovation throughout the Gauteng City Region; and
- Contributing to building an ethical workforce and GCR environment that allows for innovation and responsible decision making while ensuring legitimate precautions are taken to protect the public interest, maintain public trust, and ensure due diligence.

Diagram 2: Integrity Management Framework



1.3.5. Gauteng Integrity Management Policy

The Gauteng City Region Integrity Management Policy was adopted by the Executive Council in 2016 with a purpose of giving effect to the Gauteng Anti-Corruption Strategy by setting rules for integrity management in the Province. The policy clearly outlines what is expected of Gauteng government employees on various issues which include, amongst others, financial integrity, conflict of interest, financial interest disclosures, management of gifts, entertainment, hospitality and other benefits, remunerative work outside public service, nepotism and favouritism and misuse of official information.

1.4 Outline of the Report

The report, which comprises of six parts, provides an overview on the information that casts light on the implementation of the pillars of the anti-corruption strategy and integrity management framework in Gauteng and is structured as follows:

Part B	▶	Strengthening Prevention
Part C	▶	Effective Detection
Part D	▶	Coordination and Collaboration on Forensic Investigations
Part E	▶	Resolution and Consequence Management
Part F	▶	Conclusion



The Integrity Management Framework and Policy seek to change the culture and behaviour of public service, business partners and civil society in building an integrity driven Gauteng City Region.





PART B

STRENGTHENING PREVENTION



2.1 Introduction

Prevention activities are proactive measures implemented to build a culture of integrity. These include, amongst others, leadership setting the tone, promoting organisational values, ethics capacity building; ongoing communication and regular fraud and ethics risk assessments with a view to determine policy gaps and areas for improvement.

The Minimum Anti-Corruption Capacity requirements as prescribed by the Department of Public Service and Administration (DPSA) state that preventing corruption costs far less than investigating it, holding disciplinary inquiries and taking cases to court. It is also good governance practice to focus on maintaining high standards of organisational ethics and managing potential risks in a proactive manner.

This chapter is reporting on the preventative measures that have been implemented by the Gauteng Provincial Government. These preventative measures are critical in the promotion of ethical culture within government. They also assist to eliminate any possible corrupt practices before they arise. The chapter focuses on the prevention strategies by discussing the ethics management compliance, financial disclosures, remunerative work outside public service, vetting of officials, fraud risk assessment, training and awareness, Gauteng Municipal Integrity Project and Gauteng Ethics Advisory Council.

2.2 Ethics Management Compliance

The Integrity Management Framework and Policy and the Public Service Regulations (2016), guide the institutionalisation of Ethics Management processes and infrastructure in departments. The table below demonstrates the level of implementation:

Table 1: Ethics Compliance in Departments

Department	Ethics Champion Appointed	Attended Ethics Officer Certification	Ethics Officer Appointed	Ethics Committee	Ethics Risk Assessment	Ethics Strategy/ Plan
Agriculture & Rural Development	Green	Green	Green	Green	Green	Green
Community Safety	Green	Green	Green	Green	Green	Green
Education	Green	Green	Green	Green	Yellow	Red
Economic Development	Yellow	Green	Green	Green	Green	Green
e-Government	Green	Green	Green	Green	Green	Green
Health	Green	Green	Green	Green	Red	Red
Human Settlements	Green	Green	Green	Green	Green	Green
Infrastructure Development	Green	Green	Green	Green	Green	Green
Gauteng COGTA	Green	Green	Green	Green	Green	Green
Office of the Premier	Yellow	Green	Green	Green	Green	Green
Roads and Transport	Green	Green	Green	Green	Green	Yellow
Social Development	Green	Green	Green	Green	Green	Green
Sports, Arts, Culture & Recreation	Green	Green	Green	Green	Green	Green
Treasury	Yellow	Green	Green	Green	Green	Green

Chapter 2 of the Public Service Regulations requires Heads of Department to analyse 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; implement Ethics Committees and that the Executive Authority must designate Ethics Officers.

Table 1 above shows levels of compliance with ethics structures and systems by all departments of the Gauteng Provincial Government as of March 2022. These include the adoption of an ethics strategy, ethics risk assessment, capacity building of officials responsible for implementation of ethics programmes and the appointment of ethics committees, ethics officers and ethics champions. Three Departments (Office of the Premier; Treasury and Economic Development, are in the process of appointing new Ethics Champions due to the promotion, transfer, and resignation of Ethics Champions.

The Integrity Management Unit in the Office of the Premier is at the centre of supporting Departments to shift from non-compliance to proactive ethics promotion at the highest echelons of leadership and management.

This Report indicates that the Department of Health and Education have to do more work regarding risk assessment and the implementation of the ethics strategy and plans.

2.3 Submission of Financial Disclosures

2.3.1. Submission of financial disclosures by the Senior Management Service (SMS) members –

The Public Service Regulations (2016), require all SMS members to submit their financial disclosure forms on an annual basis by 30 April.

Over the past five years, the Premier had set a target of 100% compliance for all departments with regard to the SMS members financial disclosures.

Table 2: Submission of disclosures by SMS members (2016/17 – 2020/21)

Department	2016/2017	2017/18	2018/19	2019/20	2020/21
Agriculture & Rural Development	100%	100%	100%	100%	100%
Community Safety	100%	100%	100%	100%	100%
Education	90%	100%	100%	100%	100%
Economic Development	100%	100%	100%	100%	100%
e-Government	100%	100%	100%	100%	100%
Health	100%	100%	100%	100%	100%
Human Settlements	100%	100%	100%	100%	100%
Infrastructure Development	100%	100%	100%	100%	100%
Gauteng COGTA	100%	100%	100%	100%	100%
Office of the Premier	100%	100%	100%	100%	100%
Roads and Transport	100%	100%	98%	100%	100%
Social Development	100%	100%	100%	100%	100%
Sports, Arts, Culture & Recreation	100%	100%	100%	100%	100%
Treasury	100%	100%	100%	100%	99%
TOTAL	99,60%	100%	99.9%	100%	99.87%

The Gauteng Provincial Government departments have made a concerted effort to achieve 100% SMS financial disclosure as per the commitment of the 5th and 6th administration. In the 2017/18 and 2019/20 disclosure periods the province achieved 100% submission of SMS disclosures. In 2016/17; 2018/19 and 2020/21 disclosure periods the province did not achieve 100% and the reasons for non-achievement are as follows:

- In 2016/2017, the Department of Education achieved 90% and this was due to system challenges and inefficiencies as the Ethics Officer referred six disclosures forms for internal enquiry, and therefore, these could not be released to the PSC on the due date (31 May). The DPSA subsequently enhanced the system to address the inefficiencies.
- During the 2018/19 disclosure period, the Department of Roads and Transport achieved 98% and this was due to one official who was incapacitated due to ill health. The official subsequently disclosed.
- In 2020/21 financial year the Gauteng Provincial Treasury (GPT) including the Gauteng Infrastructure Agency (GIFA) achieved 99%. As at 30 April 2021, all SMS in GPT and GIFA had submitted their financial disclosures. However, due to a technical challenge, one official's disclosure did not reflect on the Department of Treasury system but reflected on the Gauteng Infrastructure Agency system and was not released to the PSC by 31 May 2021. The disclosure was subsequently released.

2.3.2. Submission of financial disclosures by other designated categories of employees

The Public Service Regulations (2016) empower the Minister of Public Service and Administration to designate other categories of employees to disclose their financial interests. The Minister issued the Determination and Directive to give effect to the Public Service Regulations (2016) by designating other categories of employees to disclose their interests and prescribing a date, the form to disclose financial interests and the period to be covered when making financial disclosures. Furthermore, the Minister granted a once-off deviation to allow all categories of designated employees to disclose their financial interests between 01 June – 31 July 2020.

Table 3: Submission of disclosures by other categories (2018/19 – 2020/21)

DEPARTMENT	2017/2018	2018/19	2019/20	2020/21
Agriculture & Rural Development	96.27%	99.40%	100%	100%
Community Safety	100%	100%	99%	100%
Education	33.13%	36.05%	34.90%	43,7%
Economic Development	99.27%	98.58%	100%	100%
e-Government	99.39%	100%	100%	100%
Health	23.39%	25.13%	27.23%	44,1%
Human Settlements	65.70%	93.95%	100%	100%
Infrastructure Development	91.90%	60.19%	88.80%	96,71%
Gauteng COGTA	95.15%	92.3%	100%	97,7%
Office of the Premier	100%	86%	100%	100%
Roads and Transport	100%	86%	97.48%	98,61%
Social Development	98.08%	93.87%	100%	98,1%
Sports, Arts, Culture & Recreation	100%	98%	100%	100%
Treasury	97.2%	91.20%	100%	100%
TOTAL	39.25%	38.30%	40.00%	49.99%

Table 3 above shows that other designated categories of employees outside SMS are not doing too well in financial disclosures, across different departments.

There has been a low rate of compliance by other designated categories, with the Department of Health and the Department of Education having compliance rates of 44,1% and 43,7% respectively for the 2020/21 disclosure period. Eight departments have achieved 100% and four departments achieved above 96% compliance

The challenges that have been identified regarding the poor submission of disclosures by other categories are as follows: The Department of Health has 14042 officials, and the Department of Education has 3109 officials that are required to disclose. These departments have only one ethics officer in each of these departments, designated to follow up and monitor compliance. The e-Disclosure system is not dis-aggregated per institution (such as hospitals and districts) which creates a problem in monitoring progress and compliance, by heads of institutions.

The Office of the Premier has engaged the Department of Public Service and Administration, in this regard. The proposal is to have a model wherein each institution has a designated ethics officer and can manage disclosures at institutional level. Further to this, these Ethics Officers will be able to coordinate and support the implementation of Ethics Management Programmes at institutional level.

2.4 Remunerative Work Outside Public Service (RWOPS)

Section 30 of the Public Service Act states that 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.

Regulation 13 (i) (PSR, 2016) also states that an employee shall, if he or she has permission in terms of Section 30 of the Act to perform outside remunerative work, perform such work not during official work hours and official equipment or state resources may not be used for such work. The number of applications that have been received for other remunerative work, as per departmental reports in March 2022, is as follows:

Table 4: Remunerative Work Outside Public Service

Department	No. of application	Approved	In progress	Applications rejected	Deemed Approvals
Office of the Premier	19	19	-	0	0
Treasury	8	8	-	0	0
CoGTA	5	3	-	2	0
Sport, Arts, Culture & Recreation	1	0	-	0	1
Health	1364	1111	183	70	-
Human Settlements	7	4	3	0	0
E-Government	12	12	-	0	0
Social Development	96	22	-	74	0
Roads & Transport	3	0	-	3	-
Education	22	19	3	0	0

Community Safety	4	4	-	0	0
Economic Development	1	1	-	N/A	N/A
Infrastructure Development	29	25	-	4	N/A
Agriculture	10	10	-	0	0
Total	1581	1238	189	153	1

The high number of applications in Health, and Social Development indicates that dedicated capacity is required to manage the process. Departments must ensure that there is no possible, perceived, or potential conflict of interest that may arise because of employee undertaking other remunerative work, that will negatively impact service delivery.

Noting the high number of applications in the Department of Health and to mitigate the risk of deemed approvals, the Department of Health has implemented an automated system for the RWOPS process. Once this process is finalised and tested, the province will consider the province-wide roll-out of the electronic RWOPS system for submission and approval of applications, and management of potential conflict of interest.

2.5 Vetting of members of SMS and SCM

Vetting and lifestyle audits are very critical mechanisms to prevent or detect conflict of interest and corrupt practices in any organisation, even before such malpractices can occur. The Senior Management Service Handbook requires that members of Senior Management Service are vetted. Through the Integrity Management Framework, vetting has been extended to all Supply Chain Management officials in Gauteng.

The State Security Agency (SSA) is responsible for vetting in terms of the National Vetting Strategy. The Gauteng Provincial Government works very closely with the State Security Agency to ensure compliance.

2.5.1 Vetting of Senior Management Service members

The breakdown per department for the vetting of the SMS members is reflected in the table below:

Table 5: Vetting of Senior Management Service members

Department	Total number of filled SMS posts	Total number of vetted SMS members	Total number of SMS awaiting feedback	Total number of SMS who have not yet applied	Denial
Office of the Premier	73	10	60	3	0
Community Safety	21	11	09	1	0
Treasury	59	23	33	3	0
e-Government	36	12	23	1	0
Economic Dev.	44	31	13	0	0
Health	110	03	76	34	0
COGTA	31	24	6	0	1
Roads and Transport	50	33	14	3	0
Sport	31	11	15	5	0
Infrastructure Dev.	64	19	40	5	0
Education	108	34	54	16	4
Agriculture	36	21	13	2	0
Social Development	35	19	16	0	0
Human Settlement	56	12	36	8	0
TOTAL	757	263	408	81	5

Table 5 above shows that, as of March 2022, there were 757 members of the Senior Management Service (SMS) in the Gauteng Provincial Government, out of whom 668 had been vetted or are in the process of being vetted (i.e. some were still awaiting their results). This is 88% compliance with the SMS handbook on vetting of Managers in Government. Of serious concern is the fact that 84 SMS members were dragging their feet on compliance with vetting, thus raising suspicions and eye-brows about possible wrongdoing. Five (5) applications for security clearance were declined.

It is important to underscore the fact that Accounting Officers and Executive Authorities must ensure full compliance with vetting requirement for SMS members in their departments. The 11% of SMS officials who are not complying should be red-flagged and be the first to undergo lifestyle audits.

2.5.1. Vetting of SCM officials

The breakdown per department for the vetting of the Supply Chain Management (SCM) officials is reflected in the table below:

Table 6: Vetting of Supply Chain Management officials

Department	Total number of filled SCM posts	Total number of vetted SCM officials	Total number of SCM awaiting feedback	Total number of SCM who have not yet applied	Denial
Office of the Premier	29	9	19	1	0
Community Safety	18	5	10	3	0
Treasury	147	54	78	15	0
e-Government	40	27	13	0	0
Economic Dev.	12	11	1	0	0
Health	-	-	-	-	0
COGTA	12	9	3	0	0
Roads and Transport	22	20	2	0	0
Sport	16	5	9	2	0
Infrastructure Dev.	57	36	18	3	0
Education	56	30	16	10	0
Agriculture	35	32	3	0	0
Social Development	105	55	5	45	0
Human Settlement	20	2	18	0	0
TOTAL	569	295	195	79	0

Table 6 above shows the progress across 13 departments on vetting of SCM officials, as of March 2022. There are 490 out of 569 SCM officials (86%) who have subjected themselves to the vetting process, 195 of whom are awaiting their results. There is another 79 SCM officials who are yet to submit their application forms and supportive documentation for vetting.

The Departments of Health, Social Development and Provincial Treasury have the highest risk of non-compliance with vetting.

Accounting Officers have been directed to take appropriate action against SCM officials who refuse to be vetted, which includes removing such officials from Supply Chain Management processes.

2.5.3. Lifestyle audits of Members of the Executive and public servants

The SSA has completed the lifestyle audits of Members of the Executive Council as requested by the Premier, in line with the policy framework developed by President Cyril Ramaphosa. The outcomes of the lifestyle audits will be released separately after due consultations are completed.

The Department of Public Service and Administration has directed that from April this year, all public servants will undergo mandatory lifestyle audits as part of the determination to root out corruption and malfeasance in government.

The lifestyle audits for all public servants will complement and close any loopholes of the current vetting process, which often leaves out officials who are not members of the senior management service. Gauteng provincial government will start the roll-out lifestyles audits in all departments in the current financial year.

2.6 Fraud Risk Management Compliance

Section 38 (1) (a) of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) requires that the Accounting Officer / Authority ensures that the institution has and maintains effective, efficient and transparent system of financial and risk management and internal control.

Further, Section 3.2.1 of the Treasury Regulations requires that the Accounting Officer/Authority of institutions ensures that a risk assessment is conducted regularly and a risk management strategy is adopted, which should include a fraud prevention plan to 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.

Fraud and corruption remain a threat to public trust and confidence and it is therefore essential to recognise fraud prevention as an integral part of strategic management.

Accounting Officers / Authorities must set the right tone for the prevention of fraud in the institution. A fraud prevention strategy must be published, including a statement that declares the institution's commitment to effective fraud risk management. It should explain that all key fraud risks identified are to be managed appropriately.

The Gauteng Provincial Government embarks on a regular programme to proactively identify and address Each department's risk and vulnerability to both internal and external fraud. The Departmental Provincial Forensic Audits looked at the following with regard to fraud risk assessment:

- Review of previous Auditor General's audit outcomes;
- Review of previous reports on fraud incidents;
- Consideration of the internal control structure might reveal certain residual fraud risks, including management's override of established controls that have not been adequately mitigated due to:
 - lack of appropriate prevention and detection controls
 - noncompliance with established prevention and control measures
- reviewing proper alignment between an individual's authority and their level of responsibility.

Out of the fraud risk assessments, Accounting Officers had to develop and implement action plans to mitigate the risk of fraud and take other actions such as:

- Improving/enhancing policy prescripts and internal controls processes;
- Developing clear and properly documented standard operating procedures which provides guidelines on how officials should execute their day-to-day responsibilities;
- Capacitating the departments so that they can implement segregation of duties throughout the procurement processes.

Table 7: Progress on implementation of risk management action plans (2021/2022)

Name of Department	No of Action Plans	% of Action Plans implemented	% of Action Plans in progress	% of action plans not implemented
	47	40 (85%)	7 (15%)	0 (0%)
Infrastructure Development	68	57 (84%)	7 (11%)	4 (5%)
Economic Development	58	50 (86%)	5 (10%)	3 (4%)
Social Development	60	48 (80%)	6 (10%)	6 (10%)
e-Government	50	49 (98%)	1 (2%)	0 (0%)
Agriculture and Rural Development	52	45 (87%)	7 (13%)	0 (0%)
Sport, Art, Culture and Recreation	58	40 (69%)	11 (19%)	7 (12%)
Education	50	33 (66%)	17 (34%)	0 (0%)
Office of the Premier	40	37 (93%)	3 (7%)	0 (0%)
COGTA	41	34 (83%)	6 (15%)	1 (2%)
Provincial Treasury	47	43 (92%)	3 (6%)	1 (2%)
Roads and Transport	53	47 (88%)	5 (10%)	1 (2%)
Human Settlements	21	21 (100%)	0 (0%)	0 (0%)
Health	123	73 (59%)	35 (28%)	15 (13%)
Total	768	617 (80%)	113 (15%)	38 (5%)

Table 7 above shows that most departments have put in place and are implementing plans to address fraud risks. A total of 768 agreed action plans were identified to strengthen internal control measures. These action plans incorporate controls that aims to prevent fraudulent practices, detecting of suspicious transactions and responsive measures to deal decisively with identified fraud and corruption cases. An average of 80% of the action plans were implemented by 31 March 2022.

2.7. Training and Awareness

To give practical effect to the relevant constitutional provisions relating to the public service, all employees are expected to comply with the Code of Conduct, as stipulated in Chapter 2, Regulation 13 of the Public Service Regulations of 2016.

The code of conduct provides guidelines to employees regarding what is expected of them. The Public Service Regulations were amended in 2016, and the revised regulations came into effect in August 2016. The changes included amongst others, the amendment of the Code of Conduct for public servants. A total of 9537 employees in the Gauteng Provincial Government were trained on the Code of Conduct during the 2020/2021 financial year.

The Office of the Premier, in collaboration with the Gauteng City Region Academy (GCRA) and the National School of Government (NSG), continues to enrol all Assistant Directors, Middle Management Service and Senior Management Service members for the compulsory Ethics course that is offered online. Other employees at lower levels are also encouraged to enrol for the ethics online training programme. A total of 742 officials have completed the ethics online course during course of 2020/21.

2.8. Gauteng Municipal Integrity Project

The Gauteng Provincial Government, jointly with the Ethics Institute, provided support to municipalities in training on ethics and integrity management. Phase I of this training programme was completed and Phase 2 is now underway. The Gauteng Municipal Integrity Project (GMIP) seeks to build capacity in the Gauteng Provincial Government to support municipalities in improving ethical culture and improving the control environment.

The key activities over the three year period include giving capacity to ethics support staff through training and mentoring; co-mentoring of municipalities to institutionalise their ethics strategies with a specific focus on establishment of ethics structures and interventions in high-risk areas of recruitment and procurement; hosting thematic learning forums on high risk areas for local government practitioners; and co-development of an ethics management monitoring and reporting tool for municipalities.

During the 2020/2021 financial year, the following were achieved:

- Fifteen online capacity building sessions were hosted to empower GPG staff on ethics management in municipalities;
- One full day face-to face training on how to conduct Ethics Management Maturity Assessments; pre-meeting mentoring, of GPG staff, prior to engagements with municipalities; and
- Two learning forums in the high-risk areas Human Resources and Supply Chain Management were held virtually.

2.9. Local Government Ethical Leadership Initiative

The Local Government Ethical Leadership Initiative (LGELI) is a project aimed at facilitating national dialogue on ethical leadership in local government. It is envisaged that the national dialogue will culminate in the development of a governance code that sets out principles and practices for ethical governance and ethical leadership at local government.

The LGELI project is a joint initiative of the Gauteng Provincial Government, the Ethics Institute, the Moral Regeneration Movement and the South African Local Government Association. It focuses on leadership conversations and actions to address moral fibre of society and ethical foundations of leadership as well as the factors that give rise to moral and ethical decline in society.

2.10. Gauteng Ethics Advisory Council (GEAC)

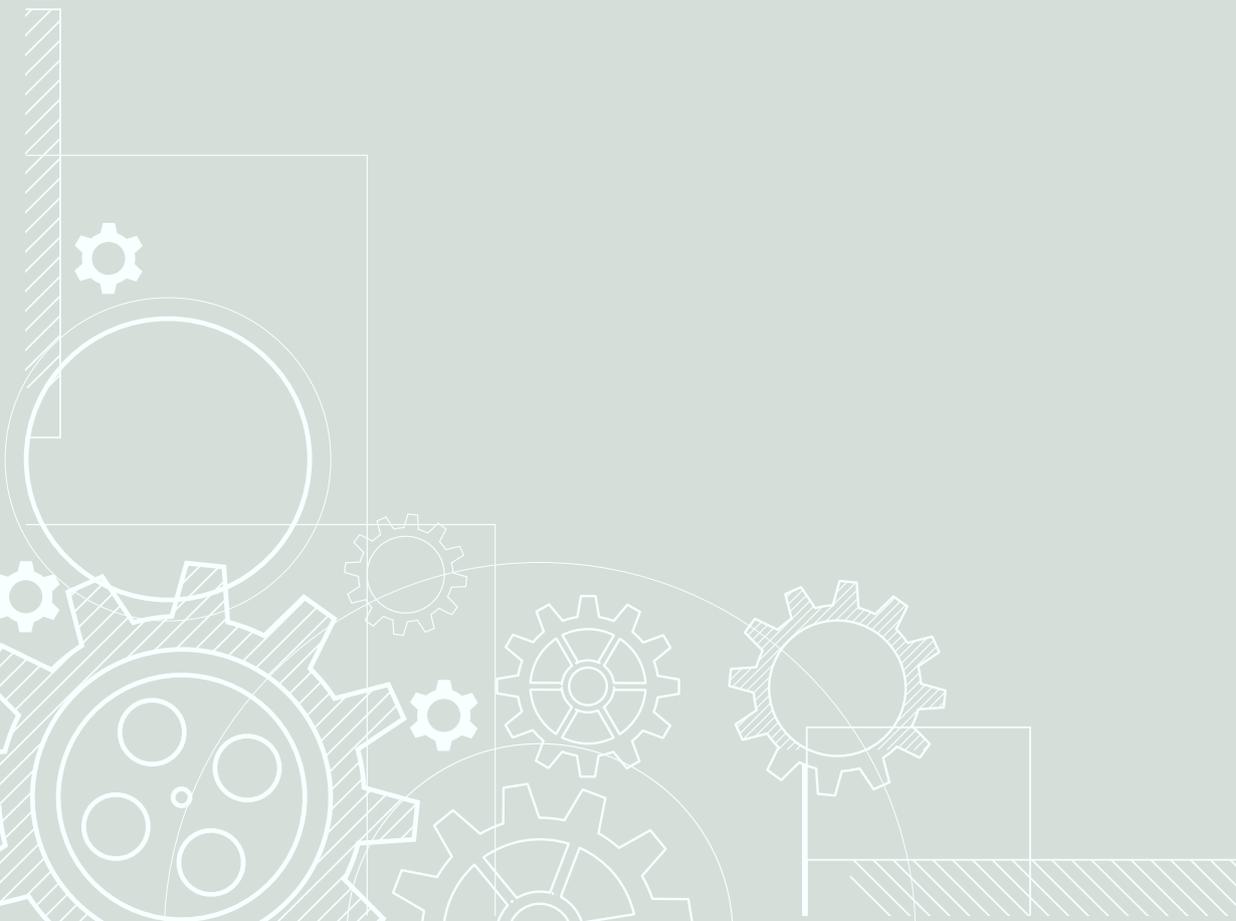
Premier Makhura appointed the Gauteng Ethics Advisory Council in 2017 to serve as both an ethics advisory panel as well as a civil society anti-corruption watchdog. The panel has done a great deal of work strengthening prevention and detection measures and carrying out training and anti-corruption advocacy work. GEA will release its own separate Public Report on Ethics and Integrity in Gauteng.

In this Chapter of the Report, we focused on the proactive ways of prevention or mitigation of risk pertaining to fraud and corruption, by implementing a combination of measures such as ethics management compliance, financial disclosures, management of remunerative work outside public service, vetting and lifestyle audits, fraud risk assessments and mitigation plans, training and awareness, Gauteng Municipal Integrity Project and Gauteng Ethics Advisory Council.



PART C

ENHANCING DETECTION



3.1. Introduction

The implementation of proactive measures to detect activities or ways of working that could lead to fraud and corruption is absolutely necessary so that we avoid losing the money or other resources. It is never good enough to ‘catch the thieves when they have already stolen or caused a reputational damage’.

Detection may comprise of the use of many different ways, including ongoing computer aided technologies to periodically scan databases and flag potential threats. Whistle-blowing must also be encouraged for officials to raise allegations that need to be investigated and protection of whistle blowers must be part of the policy.

The United Nations Office on Drugs and Crime advises institutions to have in place adequate mechanisms for detecting incidents of corruption, receiving complaints, and monitoring and investigating incidents of alleged or suspected corruption or fraud. It is further noted that these arrangements should be fair and confidential and are monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques regarding fraudulent or corrupt activity that may affect its operation.

The Minimum Anti-Corruption Capacity requirements as prescribed by the Department of Public Service and Administration state that no matter how successful a corruption prevention campaign is, corruption can still occur. This means that the need to detect corrupt activities, investigate and resolve them will always be part of an integrated anti-corruption strategy.

Successfully detecting, investigating and resolving corruption cases also serves as a powerful deterrent to people considering corrupt activities – if people know that they will not get away with corruption they will be less likely to get involved in it.

This chapter looks at the work of the Gauteng Provincial Government on this pillar of anti-corruption strategy, focusing on how to detect and prevent officials from doing business with the state, taking swift management action against corrupt activities, creating safe whistle-blowing and reporting mechanisms as well as deploying vetting and lifestyle audits again as measures to detect potential wrongdoing.

3.2. Officials doing business with state

In terms section 8(2) of the Public Administration Management Act, 2014 (No. 11 of 2014) and Regulation 13(c) of the Public Service Regulations (2016) government employees are not allowed to conduct business with the state.

On an annual basis, the Public Service Commission and the Department of Public service and administration provide the Office of the Premier with the list has received the list of Gauteng government employees who are directors of companies conducting business with the state. Any employee whose company is conducting business with the State is in contravention of the law.

Table 8 below shows that the Departments of Education and Health have the largest number of employees who have been detected to be doing business with the state. The relevant executive authorities and accounting officers have been directed to ensure that appropriate action is taken to enforce compliance by opening criminal cases against implicated officials.

Table 8: Officials Doing Business with Organs of State from the PFMA Audit Report 2020/2021 (Source: Public Service Commission)

Departments	Trading with Employer	Trading with other Gauteng Department	Trading with other Provincial Departments	Trading with National Departments	Trading with Municipalities	Other State Organs	Total Number of Employees
Community Safety	0	1	0	0	0	0	1
Economic Development	0	1	0	0	0	0	1
Education	2	21	22	14	25	3	87
Health	8	15	20	14	20	0	77
Infrastructure	3	0	1	1	0	0	5
Premier	0	0	0	0	1	0	1
Sport	0	0	2	0	0	0	2
Transport	1	0	0	0	0	0	1
Total	14	38	45	29	46	3	175

Status with regard to implementation of the recommendations from the PFMA Audit report 2020/2021

- **Trading with Employer:** 14 officials were detected to have conducted business with their own employer, that is the department that they work for. The Labour Relations units in these departments are gathering evidence from within such as the Declaration of Interest Form- which seeks to ascertain if the bidder is employed by the state. Disciplinary actions will be instituted against these officials; and a criminal case will be opened, once the supporting evidence is obtained and Deponent A is compiled.
- The case detected in the Department of Roads and Transport was investigated. It was determined that an intern who was on a contract had conducted business with the department. The contract has concluded and the official is no longer in the employ of the department. The Office of the Premier is consulting with the Department of Public Service and Administration for advice on how the department should proceed.
- **Trading with other Gauteng Provincial Departments:** 38 officials traded with other Gauteng Provincial Departments, the department sourcing information from Provincial Treasury and the relevant department to obtain evidence, such as the procurement documents, to compile Deponent A. the department will institute disciplinary actions and open criminal cases.
- In the instance of the official detected to have conducted business with the state from the Department of Community Safety, the investigation was concluded and a written warning was issued. The Office of the Premier is consulting the Department of Public Service and Administration to provide guidelines on commensurate sanctions as this is deemed a serious misconduct as per the Public Administration Management Act.
- **Trading with Departments in other Provinces:** 45 officials from Gauteng Provincial Government were detected to have conducted business with other Provincial Departments: The provincial departments are writing to these departments in other Provinces to obtain the supporting evidence such as the procurement documents. Disciplinary actions will be instituted, and criminal cases will be opened.
- **Trading with National Departments:** 29 officials from Gauteng Provincial Government Departments were detected to have conducted business with National Departments: The Provincial Departments are writing to the National Department and National Treasury to obtain the relevant evidence, such as the procurement documents. The evidence will be used to institute disciplinary actions and criminal cases will be opened.
- **Trading with municipalities:** 46 officials from Gauteng Provincial Government Departments were detected to have conducted business with municipalities: The provincial departments are writing to the municipalities to obtain the relevant evidence, such as the procurement documents. The evidence will be used to institute disciplinary actions and criminal cases will be opened.
- **Trading with other organs of State:** 3 officials from Gauteng Provincial Government Departments were detected to have conducted business with other organs of state. The provincial departments are writing to these organs of state to obtain the relevant evidence, such as the procurement documents. The evidence will be used to institute disciplinary and criminal cases will be opened.

The Office of the Premier will collaborate with the DPSA to ensure commensurate sanctions and consistent action against officials doing business with the state, across all departments.

3.3. Leadership and management action

The Leadership Management of government departments need to regularly and practically demonstrate that fighting corruption is the responsibility of every employee within their organisations. Management should participate in relevant training and support the implementation of integrity management programmes.

Premier Makhura has regularly interacted and engaged with MECs and HODs as well as the entire senior management service in Gauteng Provincial Government on the role and place of clean governance in the development vision and plan of action of the Gauteng City region.

3.4. Various mechanisms to report and follow-up on allegations from whistle blowers

The Provincial Forensic Audits Unit has been relocated to the Office of the Premier to give it greater authority and enhance coordination of investigations and consequence management corruption-related matters.

The Provincial Forensic Audits Unit analyses all cases received and cases of alleged corruption which implicate officials from the Gauteng Provincial Government departments and entities refers them for forensic investigation by either the SIU or commission private forensic companies. are addressed to the relevant Accounting Officer for their decision and resolution.

The National Anti-Corruption Hotline and the Gauteng Ethics Hotline (a 24-hour toll free platform) are very important platforms through which alleged acts of corruption are reported by whistle blowers. Gauteng Provincial Government employees, contractors, suppliers and other interested parties to raise concerns relating to unlawful, irregular and or suspicious corrupt related activities or conducts. The databases for these allegations that are received are updated on a regular basis.

Since the inception of the National Anti-Corruption Hotline (NACH) in 2005, Gauteng Province received 2161 NACH cases from the Public Service Commission. To date, Gauteng has resolved a total of 2051 cases or complaints (95% resolution rate).

Our big concern is that urgent measures need to be put in place by the whole-of-government to ensure the protection of whistle blowers. The killing and intimidation of whistle blowers is undermining the fight against the scourge of corruption.

The Integrity Management Unit together with the Gauteng Ethics Advisory Council are in the process of developing the whistle blowing policy and framework that will include amongst others, systems for protections of whistle blowers from intimidation, victimisation and possible security threats. In addition, the policy and framework will address the issue of collaboration with law enforcement agencies and other institutions on whistle blowers and witness protection programme.

3.5. Conclusion

In this chapter, we outlined the lessons learned from the work of the Gauteng Provincial Government in putting in place measures to detect corruption within its environment. Leadership and management action to enhance detection and act swiftly on wrongdoing is an area that requires attention, together with the need to create safe whistle blowing and reporting mechanisms.



Our big concern is that urgent measures need to be put in place by the whole-of-government to ensure the protection of whistle blowers.





PART D

COORDINATION AND COLLABORATION ON FORENSIC INVESTIGATIONS



4.1 Introduction

Reporting allegations of corruption and maladministration is taken seriously when there is confidence that effective investigations shall be instituted and those found to be on the wrong side of the law shall be brought to book.

The Gauteng Provincial Government has strengthened coordination and collaboration of various public agencies and private sector institutions on matters that warrant investigations. Maximum efforts and resources are put in place to ensure that all allegations of fraud and corruption receive urgent and utmost attention of the relevant institutions and agencies so that there is consequence management.

This chapter reports on the forensic investigations conducted by the Special Investigating Unit and other institutions that are established by Chapter 9 and 10 of the Constitution of the Republic of South Africa, 1996 i.e., Public Service Commission, Public Protector, Auditor-General of South Africa, and the South African Human Rights Commission.

4.2 Special Investigating Unit

The Special Investigating Unit (SIU) was established to investigate matters, as contemplated in the Special Investigating Unit and Special Tribunals Act, 1996 (Act No. 74 of 1996), serious malpractices or maladministration about the administration of state institutions, state assets and public money as well as any conduct which may seriously harm the interests of the public.

In 2017, Premier Makhura and the Head of the SIU led a joint workshop on how the two institutions can collaborate in the work of combating fraud, corruption, maladministration, and malpractice in Gauteng Province. The workshop culminated in the signing of a Memorandum of Understanding between the Gauteng Provincial Government which provides for the secondment of dedicated personnel to ensure that all cases that warrant investigations are concluded speedily and consequence management results in disciplinary action, recovery of funds, criminal prosecutions.

In the past five years, the SIU has dealt with fifteen (15) cases that were referred to by Provincial Government or whistle blowers:

- Eight (8) complaints from the Gauteng Provincial Government.
- Four (4) matters on flagship projects that were implemented by the Gauteng Provincial Government; and
- Three (3) additional complaints were submitted by whistle blowers directly to the SIU.

Progress on the eight complaints from the Gauteng Provincial Government departments is as follows:

Table 09: Progress on the investigations by the SIU

Department	Allegation	Status	Outcomes
Department of Agriculture & Rural Development (1)	Alleged irregular expenditure in relation to the appointment, prepayments and non-delivery of goods and services by a service provider.	<ul style="list-style-type: none"> ✓ The investigation has been completed. The department is busy implementing the recommendations of the final forensic investigation report and the disciplinary hearings are underway. ✓ Further investigation is being conducted through Proclamation (No. R.15 of 2021) published on Government Gazette 44473 dated 23 April 2021. ✓ The investigation is at an advanced stage and will be finalised by the end of June 2022. 	<ul style="list-style-type: none"> ▪ Referral to National Treasury to blacklist service provider with legal for review. ▪ Civil litigation approved by Civil Litigation Unit to have contract set aside to the value of – R34 098 962
Department of Human Settlements (1)	Possible misconduct by officials of the department.	<ul style="list-style-type: none"> ✓ The investigation has been completed. The SIU has recommended that this matter should be investigated under a Proclamation. ✓ The SIU has subsequently submitted a motivation for a Proclamation. The Premier has signed a letter of support to the Presidency. ✓ The motivation for proclamation is with the Department of Justice and the SIU is liaising with them in respect of progress. 	<ul style="list-style-type: none"> ▪ Awaited

Department	Allegation	Status	Outcomes
Gauteng Department of Health (3)	Possible misconduct by officials.	✓ The final report from the SIU received and has already been used in the disciplinary processes and Special Tribunal.	<ul style="list-style-type: none"> ▪ 2 officials Resigned. ▪ 2 officials Dismissed. ▪ SIU pursuing civil recoveries in the Special Tribunal.
	Medico legal claims.	✓ The final forensic investigation report awaited from the SIU. The report will be submitted by the end of June 2022.	<ul style="list-style-type: none"> ▪ SIU has motivated to Department of Justice for a National Proclamation.
	Irregular supply chain management processes related to the procurement of Personal Protective Equipment (PPE).	<ul style="list-style-type: none"> ✓ Proclamation (No. R23 of 2020), Published in GG: 43546 of 23 July 2020. Referrals for disciplinary processes were received from SIU. ✓ The OoP has appointed a legal firm through the state attorneys to institute the disciplinary processes. ✓ Some of the officials have been suspended and some resigned, however criminal cases have been opened against some officials and the assets have been frozen for both officials and service providers. ✓ All matters have been investigated and the final report was submitted to the Office of the President in December 2021. 	<ul style="list-style-type: none"> ▪ 211 Matters investigated against 220 service providers, total value of contracts – R4.7 billion ▪ NPA referrals- 45. ▪ DC referrals -27 ▪ Admin Action – 60. ▪ Civil litigation instituted to date against 10 service providers to the value of R205 Million.
Department of Sport, Arts, Culture & Recreation (1)	Allegations pertaining to maladministration in the department.	✓ In progress – SIU has applied for Proclamation. The motivation for proclamation is with the Department of Justice and the SIU is liaising with them in respect of progress.	<ul style="list-style-type: none"> ▪ Awaited
Gauteng Department of e-Government (1)	Allegations of irregular appointment process of a service provider.	<ul style="list-style-type: none"> ✓ Investigation has been completed and the department is implementing the recommendations of the final forensic investigation report. ✓ Criminal case opened and disciplinary action taken against the implicated officials. 	<ul style="list-style-type: none"> ▪ 1 official was found guilty, and his employment contract was not renewed by the department. ▪ 1 official was not found guilty. ▪ 1 official was issued with a warning letter.
Department of Roads and Transport (1)	Allegations related to the supply chain management processes for consulting engineering and safety agent services.	✓ Investigation in progress – The Secondment Agreement commenced on 25 February 2022. The investigation is ongoing.	<ul style="list-style-type: none"> ▪ Unknown at this stage.

The progress for the four (4) matters on flagship projects that were implemented by the Gauteng Provincial Government is as follows:

Table 10: Progress on the complaints to the SIU

Project	Allegation	Status	Outcome
Bosasa	Contracts awarded to Bosasa and its subsidiaries by all the GPG departments.	✓ The Office of the Premier has just received the final report from the SIU and the report is being processed with the relevant departments.	<ul style="list-style-type: none"> ▪ No irregularities were found. Systemic recommendations made in the report. ▪ The SIU referred the matter to Independent Directorate to include under the state capture investigation.

Project	Allegation	Status	Outcome
Gauteng Broadband Network	Allegations of maladministration, greed and nepotism related to the implementation of Phase Two of the Gauteng Broadband Network	✓ The Office of the Premier has received the draft report from the SIU and is awaiting the final report.	▪ Awaiting final report
Alexandra Renewal Project	Allegations of maladministration, fraud and corruption related to the Alexandra Renewal Project.	✓ This matter was investigated by the Human Rights Commission, Public Protector and City of Johannesburg Group Forensics.	▪ The Public Protector has recommended that the Premier should investigate do a forensic investigation for certain of the issues. Premier has referred those matters to the SIU to review them and decide on appropriate action.
Gauteng Partnership Fund	Complaints received from two service providers.	✓ The investigation has been completed and GPF is taken action against those implicated. Some aspects of the report are being reviewed to address the legitimate concerns of all parties. The SIU acknowledged the concerns, and the relevant investigators are available as and when required.	▪ SIU to submit the outcome of the review

The progress for the three (3) additional complaints which were submitted by whistle blowers directly to the SIU is as follows:

Table 11: Progress on the additional allegations by whistle-blowers to the SIU

Department	Allegation	Status	Outcomes
Department of Infrastructure Development	▪ Allegations of corruption and serious maladministration	✓ In progress – SIU has applied for Proclamation. The investigation has been included under proclamation R23 of 2020 and is at an advanced stage.	▪ Awaited
Gauteng Enterprise Propeller	✓ Allegation of corruption and serious maladministration: <ul style="list-style-type: none"> tender No. GEP02/MRK – Township Entrepreneur Awards during 2017; and project management services for the Pitching Booster initiative in Sedibeng during 2018. 	✓ The SIU applied for a proclamation which was issued on 01 April 2021 under proclamation R7 of 2021. The investigation is at an advanced stage.	▪ Referrals have been submitted for action by disciplinary action and criminal charges
Lesedi Local Municipality	Matter which was undertaken pursuant to a Presidential Proclamation.	The SIU has informed the OOP that investigation finalised, referrals and final report is being drafted. The final report is currently under review.	Referrals have been submitted for disciplinary action and criminal charges.

Financial implications for matters investigated by the SIU

Department	Referral / Report	Amount involved	Outcome
Health	The SIU issued referrals / progress reports for the proposed disciplinary action in respect of the investigation into the procurement of PPE by the Gauteng Department of Health during the National State of Disaster.	✓ The SIU obtained a court order to freeze the accounts of 39 service providers to the value of R38m linked to an irregularly obtained personal protective equipment (PPE) tender from the Gauteng Department of Health. The matters are currently on the roll of the Special Tribunal	▪ The SIU through the Special Tribunal has to date frozen an amount of R43 million.

Department	Referral / Report	Amount involved	Outcome
Health / Infrastructure Development	The SIU issued referrals / progress report for the proposed disciplinary action in respect of the investigation into the procurement of PPE during the National State of Disaster – AngloGold Ashanti Hospital	<ul style="list-style-type: none"> ✓ The SIU's investigation was finalised and has revealed evidence that points, amongst others, towards 9 officials from Health and Infrastructure Development who allowed fruitless and wasteful expenditure of <u>R588 504 235.42</u> for goods and services that was supplied by PSP's and contractors – AngloGold Ashanti Hospital. The SIU is assisting the dept. with the disciplinary process. The Civil litigation has been enrolled in the Special Tribunal. 	<ul style="list-style-type: none"> ▪ 9 x DC referrals made against officials, ▪ 1 x NPA referral, ▪ Civil litigation referred to Special Tribunal to have the contract set aside vale R588 million.
Education	The SIU issued referrals / progress reports which require disciplinary processes to be instituted against four officials of the Gauteng Department of Education.	<ul style="list-style-type: none"> • The Special Tribunal on 10 February 2022 found that the Gauteng Education did not follow proper procurement processes in awarding contracts to 49 service providers worth <u>R219 045 775.10</u>. The SIU seeks to recover all profits made by service providers from the irregular contracts. The SIU is in the process of instituting civil action against the other 221 service providers worth R208 640 467.19. 	<ul style="list-style-type: none"> ▪ Disciplinary action taken against four officials and criminal charges against one official. ▪ R67 million was frozen by the Special Tribunal ▪ Civil litigation against 49 contracts finalised set aside in the Special Tribunal to the value of R219 million. ▪ Civil litigation against the 221 service providers have been enrolled in the Special Tribunal to have the contracts set aside value of contracts are R208 Million

Department	Referral / Report	Amount involved	Outcome
Social Development	The final forensic investigation reports into the food banks, school uniform and dignity packs	<p>The total amount is as follows:</p> <p>School Uniform R253 730 167,96</p> <p>Bokamoso R84 365 751,96</p> <p>Agelang Sechaba R245 746 023,04</p> <p>Dignity Packs R106 000 003,80</p> <p>Fountain Of Life R28 496 851,80</p> <p>Siyabonga Africa R193 622 053,32</p> <p>Carrol Shaw R65 421 822,96</p> <p>TOTAL AMOUNT R977 382 674,84</p> <p>✓ The matter was investigated by Bowmans and is currently being investigated by the Hawks.</p> <p>✓ The matter is being reviewed by the SIU to determine whether the SIU could possibly pursue civil recoveries in respect of these matters.</p>	<ul style="list-style-type: none"> SIU Civil Litigation Unit to assess the matter to ascertain whether it qualifies for a Proclamation.

The Office of the Premier is also monitoring and supporting the following Proclamations related to the GPG which are being investigated by the SIU:

Table 12: Other proclamations being awaited:

Institution / Project	Purpose	Proc number and date signed	Outcomes
City of Johannesburg Metropolitan Municipality	<ul style="list-style-type: none"> To investigate serious maladministration in connection with the affairs of the Municipality. 	<ul style="list-style-type: none"> Proc R12 of 2020, Amendment of Proc R17 of 2019 Published in GG: 43074 of 06 March 2020 Status: investigation is at an advanced stage. 	<ul style="list-style-type: none"> 11 x NPA referrals referred. 7 x DC referrals referred to CoJ. 1 Civil litigation approved against service provider to have contract set aside value – R11 million.
Ekurhuleni Metropolitan Municipality	<ul style="list-style-type: none"> To investigate serious maladministration in connection with the affairs of the Municipality. 	<ul style="list-style-type: none"> Proc R5 of 2019, Published in GG: 42204 of 01 February 2019. Status: the investigation is finalised, and the final report is in draft. 	<ul style="list-style-type: none"> 1 x NPA referral against 10 individuals for Fraud. 1 x DC referral against official 2 x Admin Actions Civil litigation against 1 service provider value R1.9 million.
Gauteng Provincial Department of Health (Mental health care facilities)	<ul style="list-style-type: none"> To investigate serious maladministration in connection with the affairs of the department. 	<ul style="list-style-type: none"> Proc R6 of 2019, Published in GG 42204 of 01 February 2019. Status: the investigation is finalised, and the final report has been issued to the President. 	<ul style="list-style-type: none"> 27 x NPA referrals. 111 x DC referrals. Systemic recommendations. Civil litigation to the value of R5,4 million instituted.

Institution / Project	Purpose	Proc number and date signed	Outcomes
National and all Provincial Department(s) of Social Development	<ul style="list-style-type: none"> To investigate serious maladministration in connection with the affairs of the departments and improper and unlawful conduct by the employees of the departments. 	<ul style="list-style-type: none"> Proc R18 of 2005, Published in GG: 27468 of 06 April 2005. Status: the investigation is finalised, and the final report has been issued to the President. 	Awaited
Tshwane Metropolitan Municipality: Gauteng Province	<ul style="list-style-type: none"> To investigate serious maladministration in connection with the affairs of the Municipality. 	<ul style="list-style-type: none"> Proc R62 of 2010, Published in GG: 33744 of 08 November 2010. Status: the investigation is finalised, and the final report has been issued to the President. 	Awaited

4.3 Public Service Commission

The Public Service Commission is established by the Constitution of the Republic of South Africa, 1996, as one of the institutions to strengthen the oversight role of the legislatures over the Executive. The Commission is independent and impartial and must exercise its powers and perform its functions without fear, favour, or prejudice in the interest of the maintenance of effective and efficient public administration and a high standard of professional ethics in the Public Service.

Based on the constitutional mandate of the PSC and the Office of the Premier has worked very closely with this Chapter 9 in dealing with public complaints and allegations pertaining to matters of public administration.

Table 13 below shows the numbers of allegations or matters referred to the PSC for investigation related to various departments.

Table 13: Number of allegations referred to the PSC

Department	Number of cases	Finalised Cases	Outstanding Cases
Health	49	28	21
Education	11	8	3
Agriculture	4	3	1
Infrastructure Development	6	6	0
Sport	3	3	0
e-Government	7	3	4
Social Development	4	3	1
Human Settlement	3	3	0
Economic Development	4	4	0
Community Safety	5	1	4
Roads and Transport	3	3	0
Office of the Premier	3	0	3
Treasury	-	-	-
Gauteng COGTA	-	-	-
TOTAL	102	65	37

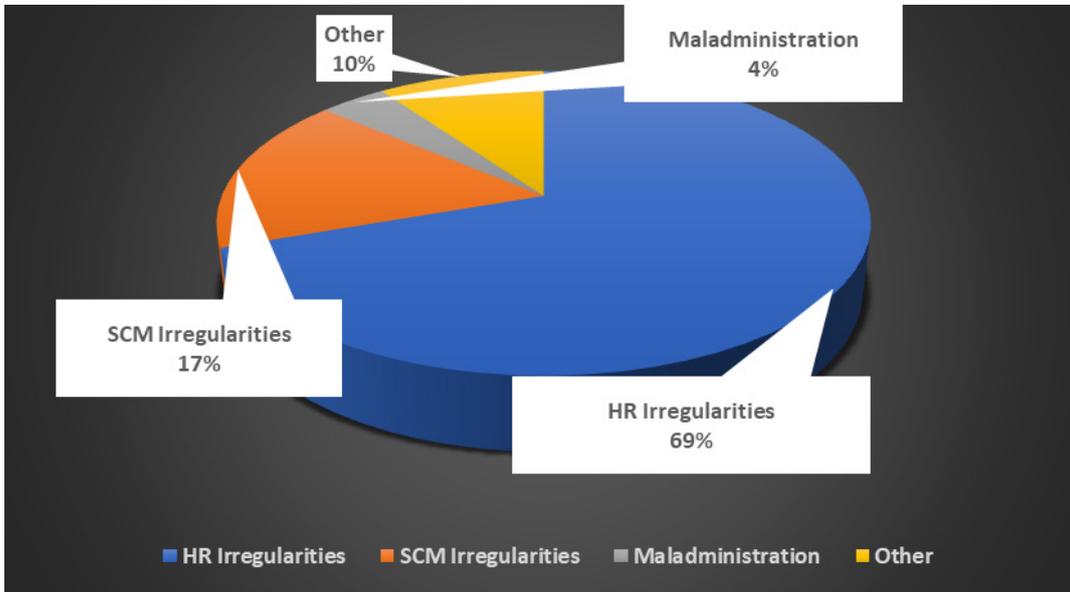
There are 102 allegations which are related to the Gauteng Provincial Government departments that are investigated by the Public Service Commission. Of the 102 allegations, 65 have been resolved and investigations for 37 allegations are still ongoing.

The Gauteng Department of Health has the highest number of cases that are being investigated by the Public Service Commission.

The PSC has made specific observations and recommended remedial action on matters affecting various Departments of the Gauteng Provincial Government:

As illustrated in Diagram 3 below, most of the cases pertain to human resource management irregularities (69%) and supply chain management or procurement irregularities (17%).

Diagram 3: Nature of cases for GPG departments referred to the PSC



4.4 Office of the Public Protector (PP)

The Public Protector is an independent institution established in terms of section 181 of the Constitution, with a mandate to support and strengthen constitutional democracy. The Public Protector has the power to investigate, report and remedy acts of maladministration, abuse of power or improper conduct in state affairs.

The Office of the Premier is working closely with the Office of the Public Protector in dealing with all complaints or allegations pertaining to the Gauteng Provincial Government departments and entities. An MoU was signed in March 2022.

Table 14: Number of allegations for GPG departments reported to the Public Protector

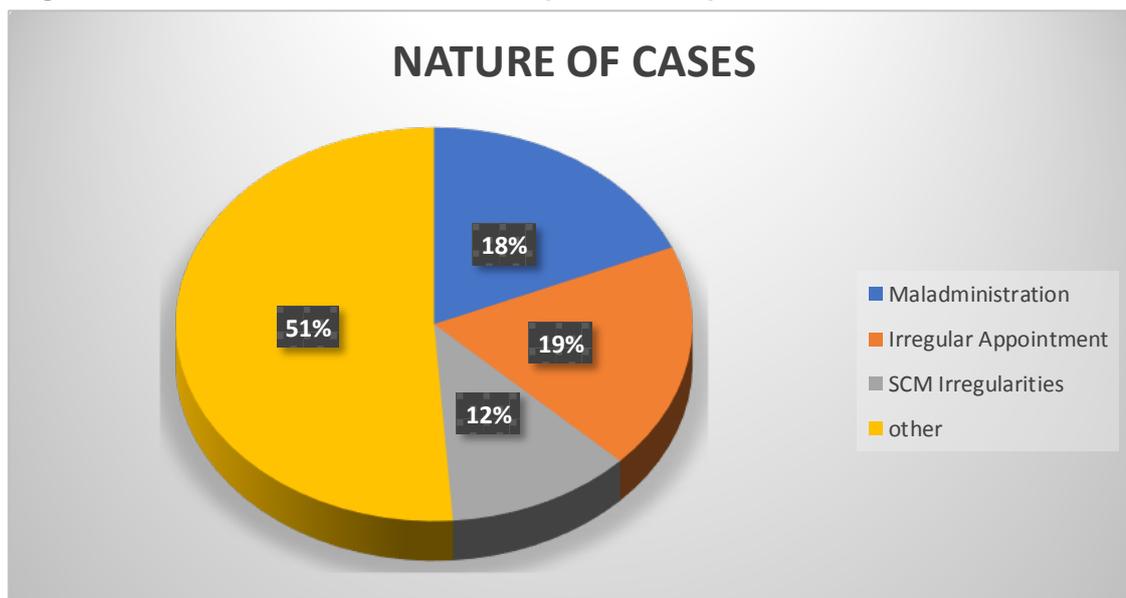
Department	Number of cases	Finalised Cases	Outstanding Cases
Health	14	4	10
Education	7	0	7
Agriculture	0	0	0
Infrastructure Development	2	0	2
Sport, Arts, Culture and Recreation	0	0	0
e-Government	1	1	0
Social Development	1	0	1
Human Settlement	3	0	3
Economic Development	7	1	6
Community Safety	0	0	0
Roads and Transport	6	0	6
Office of the Premier	0	0	0
Treasury	1	0	1
Cooperative Governance and Traditional Affairs	1	1	0
TOTAL	43	7	36

Table 14 above shows that there are 43 allegations which are related to the Gauteng departments that were lodged with the Public Protector. The PP has resolved 7 such matters, while 36 are still under investigation. The Department of Health (14), Department of Education (7) and Department of Economic Development (7) and Department of Roads and Transport (6) have the highest number of cases that are being investigated by the Public Protector.

The nature of cases that are investigated by the Public Protector involve allegations of irregular appointments, Supply Chain Management and maladministration.

The nature of cases investigated by the Public Protector is depicted in the Diagram 4 below.

Diagram 4: The nature of cases for GPG departments reported to the Public Protector



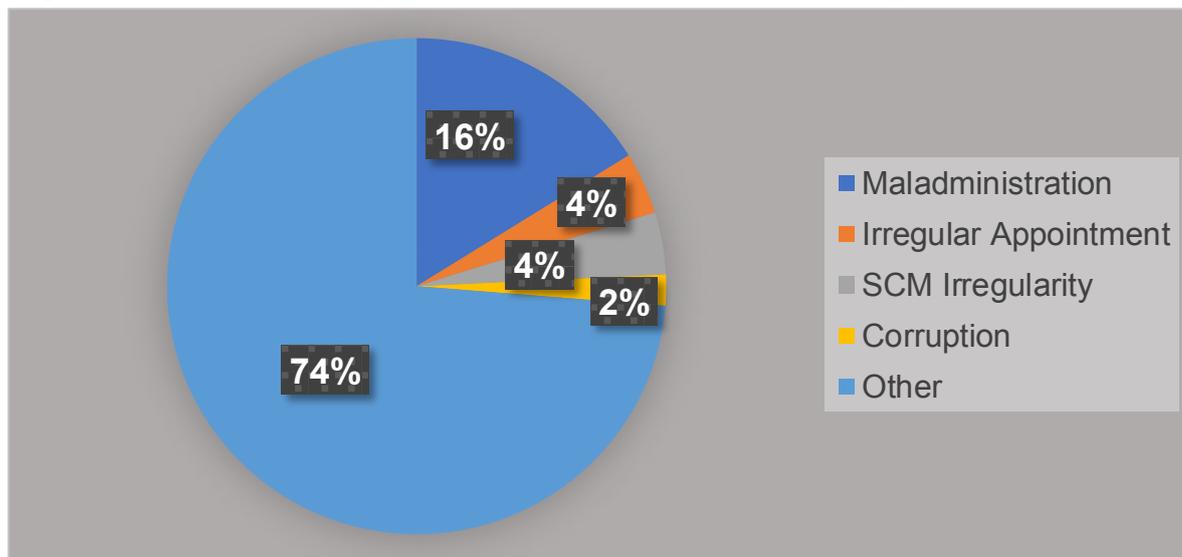
Municipalities in Gauteng

Table 15: Number of allegations reported to the Public Protector about municipalities

Municipality	Number of cases	Finalised Cases	Outstanding Cases
City of Ekurhuleni Metro	17	2	15
City of Johannesburg Metro	14	3	11
City of Tshwane	47	7	40
Sedibeng District	1	-	1
West Rand District	1	1	-
Emfuleni	8	-	8
Lesedi	1	-	1
Midvaal	2	-	2
Merafong City	4	-	4
Mogale City	-	-	-
Rand West City	6	2	5
TOTAL	101	15	86

There are 101 allegations which are related to the Gauteng Municipalities that are investigated by the Public Protector, 15 have been resolved and for 86 matters are still under investigation. The City of Tshwane, City of Ekurhuleni, City of Johannesburg and Emfuleni have the highest number of cases that are being investigated by the Public Protector.

Diagram 5: Nature of cases reported to the Public Protector for municipalities



4.5 Auditor-General of South Africa

Chapter 9 of the Constitution of the Republic of South Africa, 1996 establishes the Auditor-General of South Africa (AGSA) as one of the state institutions supporting constitutional democracy. The functions of the AGSA are described in section 188 of the Constitution and further regulated in the Public Audit Act, 2004 (Act No. 25 of 2004). The Auditor-General is mandated by section 188(1) of the Constitution, 1996 to “audit and report on the accounts, financial statements and financial management of, among others, all national and provincial state departments and administrations”.

Based on the constitutional mandate of the AGSA, the Office of the Premier and Provincial Treasury work very closely with this Chapter 9 institution. Principally, the AGSA conducts audits and some investigations where necessary. The only investigation currently underway by the Gauteng Business Unit is the use of conduits after implementation of the Provincial Treasury Instruction by the Gauteng Department of Social Development.

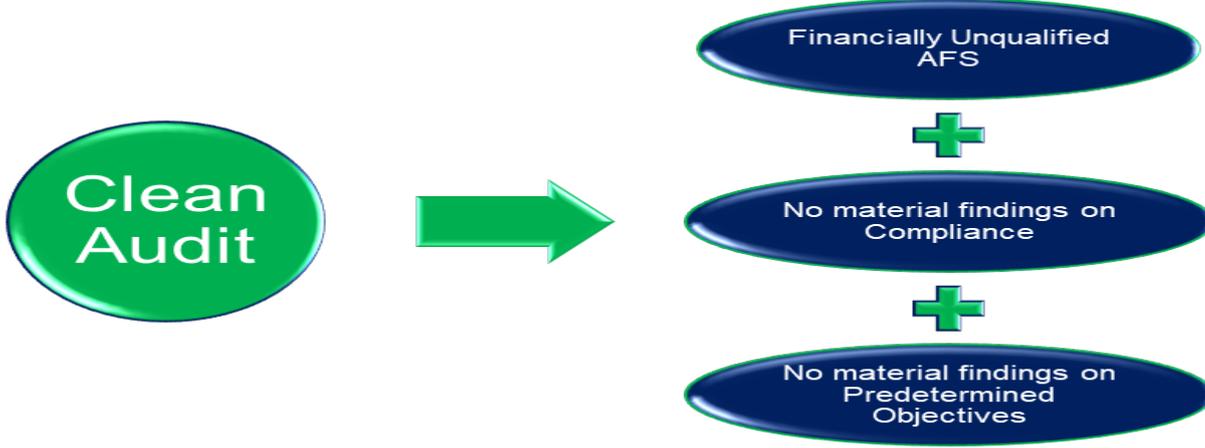
4.5.1. Audit outcomes between 2013/14 and 2019/20

The province has made concerted effort to improve the audit outcome over the period. Governance structures have been established at provincial and local level to ensure that the provincial departments and municipalities achieves clean audit outcomes. The purpose of the established governance structures operation clean audit is to ensure compliance and adherence to key financial management reforms contained in the relevant legislations and regulations.

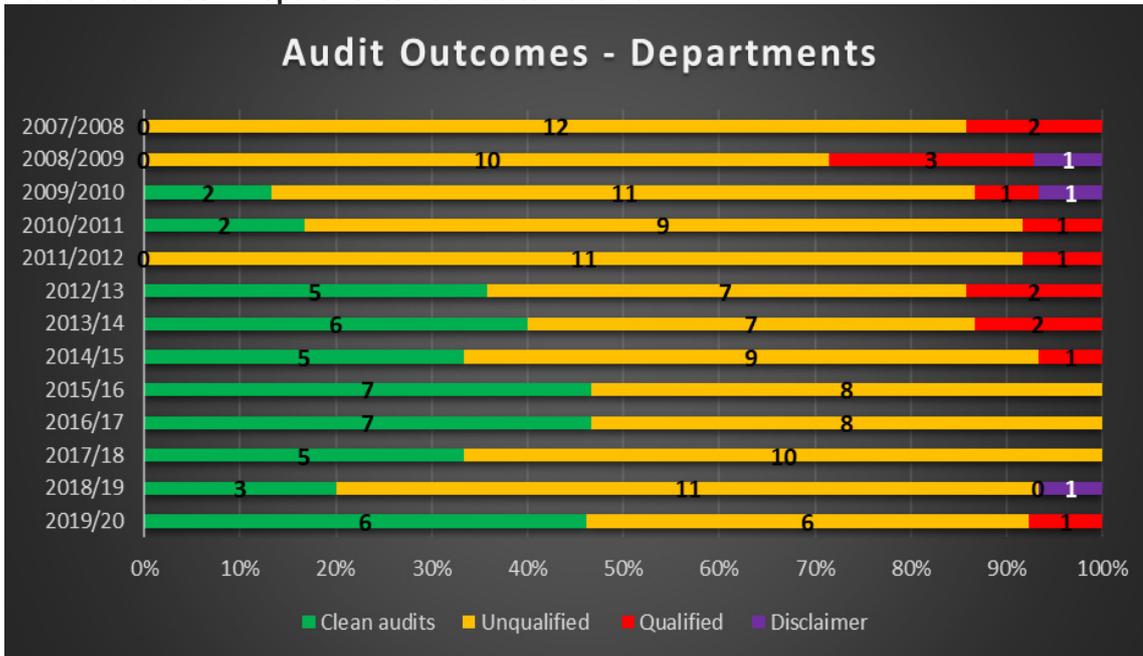
It is necessary to explain the concept of a clean audit report, as it is a concept only applicable in Government. Ordinarily, the audit opinions are as follows:

- **Unqualified:** financial statements give a true and fair view (or are presented fairly, in all material respects) in accordance with the applicable financial reporting framework.
- **Qualified:** departures from financial reporting framework, or limitation on scope which is not so material and pervasive (unqualified opinion cannot be expressed).
- **Disclaimer:** limitation on scope is so material and pervasive the auditor has NOT been able to obtain sufficient appropriate audit evidence to form an opinion (unable to express opinion).
- **Adverse:** disagreement with management regarding departures from the financial reporting framework, is so material and pervasive to AFS (qualification of the report is not adequate to disclose the misleading or incomplete nature of the AFS)

The **clean audit report** is equivalent to the unqualified report with the following added components:

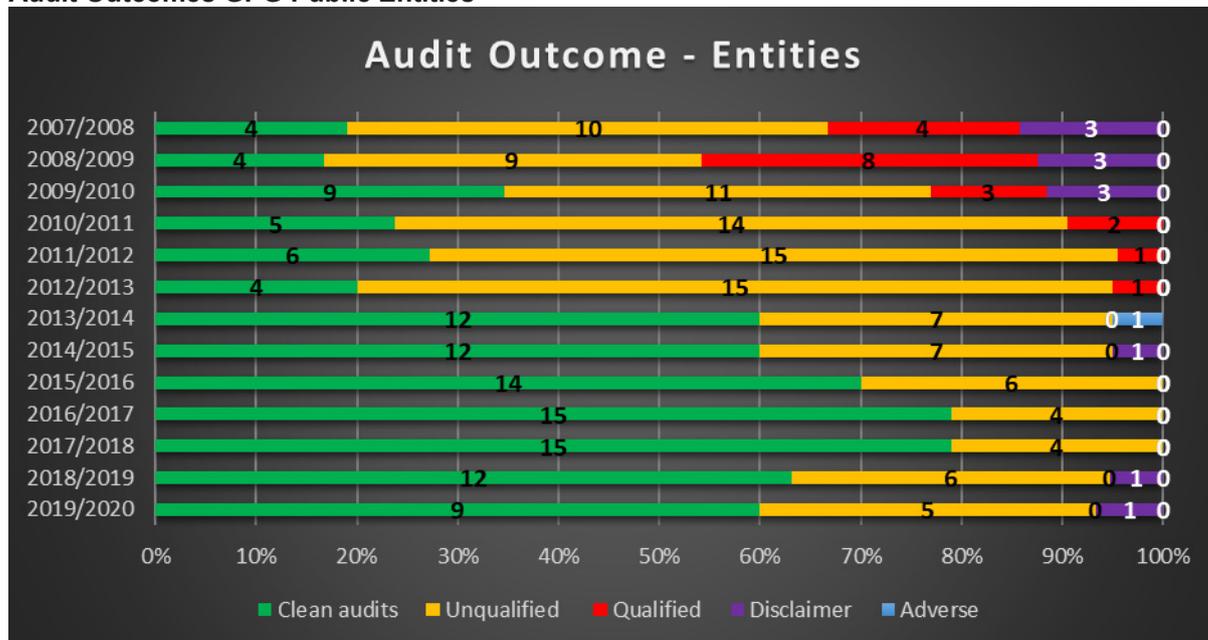


Audit Outcomes – Departments 2007/98 to 2019/20



The graph above shows the audit outcomes of the Gauteng Provincial Government departments between 2008/09 and 2019/20. The number of clean audits increased significantly between 2013/14 and 2017/18. Thereafter there was some regression. The 2019/20 financial year saw some recovery and we hope this will be sustained in the 2020/21 financial year. The Office of the Premier, Gauteng Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs have been consistent in attaining clean audit outcomes for eight (8) consecutive years since 2013/14 and we hope this will be sustained in 2020/21.

Audit Outcomes GPG Public Entities



The graph above shows that the number of entities which attained cleaned audit improved from four (4) in 2007/08 to fifteen (15) in 2017/18. Some entities have regressed in the past two years.

The Executive Council has established a War Room that will pay attention to all matters of sound financial management, clean audits and payment of service providers within 30 days.

4.5.2. Material irregularity – Gauteng Provincial Government

The Public Audit Amendment Act, 2018 (No. 5 of 2018) gives the Auditor-General of South Africa (AGSA) additional powers to refer material irregularity to relevant public bodies for further investigations in accordance with their powers, take binding remedial action for failure to implement recommendations for material irregularities and issue a certificate of debt for failure to implement the remedial action if financial loss was involved

The material irregularity (MI) is defined as any non-compliance with, or contravention of, legislation, fraud, theft or breach of fiduciary duty identified during an audit performed under this act that resulted in or likely to result in a material financial loss, misuse or loss of a material public resource or substantial harm to a public sector institution or the general public. When the MI is identified, the Accounting Officer / Accounting Authority is expected to provide proof to the AGSA that action was/is taken to stop the irregularity, prevent/recover loss or other impact and that the action is taken against the responsible person.

The AGSA can decide whether to include the recommendations in the audit report or to refer the MI to a relevant body for further investigation. When the remedial actions are not implemented or AO/AA fails to submit proof of remedial action, AGSA may if there is financial loss (issue a certificate of debt) and if there is no financial loss (notify Executive Authority, appropriate legislature or body, or take legal action or any other action within their mandate). The AGSA identified MIs at the Gauteng Department of Human Settlements and Gauteng Department of Health. The details of the recommendations, key management commitments and progress as well as the progress on implementation of recommendations are as follows:

Table 16: Progress for the MIs – Gauteng Department of Human Settlements

Finding	Progress on implementation of recommendations
<ul style="list-style-type: none"> Expenditure Management 31. Expenditure – Payment made to an incorrect beneficiary During the 2019/20 audit it was noted that one of the complainants included in the report was paid an amount of R2 528 142,20 (owed to another complainant) in addition to the R47 246,16 owed to him. This resulted in an over payment to the complainant and an overstatement of expenditure amounting to R2 528 142,20. 	Two processes previously reported on: <ul style="list-style-type: none"> Criminal case: A case has been opened (1194/11/2019.) at JHB central police station and a letter of demand has been sent to pay back the money. Civil case: The Asset Forfeiture Unit (AFU) of the National Prosecuting Authority (NPA) obtained a preservation on all bank accounts of the complainant including the vehicle he bought using the money paid to him by the Department in error. The NPA is awaiting the date for final set-down for the matter to be heard. Investigation by AFCU is complete. Report issued to HR Labour Relations to prepare said disciplinary actions.
<ul style="list-style-type: none"> 18. Incorrect interest calculation for amounts paid to beneficiaries on the Public Protector Report During the 2019/20 audit, it was noted that interest calculation for payments made to beneficiaries as per the public protector report was incorrect. The department used a constant interest rate from November 2005 to July 2014, further differences were noted for the following years. The source of interest rate used for this period could not be confirmed as the rates were not in line with National Treasury standard interest rate for the same period. This incorrect interest calculation resulted in the department incurring the additional expenditure close to R3 294 740. 	<ul style="list-style-type: none"> A recalculation was performed, and the interest will be disclosed as fruitless and wasteful expenditure for the remaining beneficiaries as soon as payment is made. The finding has been withdrawn by the AGSA and confirmed in the SCOPA meeting that was held in February 2021.

Table 16: Progress for the MIs – Gauteng Department of Health

Finding	Progress on implementation of recommendations
<ul style="list-style-type: none"> The Chief Directorate Legal Services completes its re-organisation to enable it to function more effectively. 	<ul style="list-style-type: none"> Additional six Legal Practitioners were appointed in October 2020.
<ul style="list-style-type: none"> Progress report on the development and implementation of a Payment Plan for all outstanding Court orders and its accommodation into the budget and cash flow of the Department. 	<ul style="list-style-type: none"> No Court orders are outstanding more than 30 days for payment.
<ul style="list-style-type: none"> Developed and implemented policy and SOP on Medico-Legal claims. 	<ul style="list-style-type: none"> Policy and SOP were developed but awaiting SOP.
<ul style="list-style-type: none"> Implementation of a “Document Management System” and proper information backup procedures to ensure firstly that court orders as well as all documentation can be tracked. 	<ul style="list-style-type: none"> The Legal unit liaised with ICT and user specifications were documented.
<ul style="list-style-type: none"> Department training and education within healthcare facilities to highlight the issues in respect of medico-legal claims. 	<ul style="list-style-type: none"> Only in-house on-the-job training occurred.
<ul style="list-style-type: none"> Pursue every adverse incident and take the necessary disciplinary action and recover any monies due. 	<ul style="list-style-type: none"> HoD established a clinical review committee that evaluates complex and adverse cases.
<ul style="list-style-type: none"> Progress report on the quest to consult with the State Attorney on the possibility of approaching the Constitutional Court to get a judgement on the way forward with medico-legal claim. 	<ul style="list-style-type: none"> Court cases were favourably adjudged in 2019 where the department provide services in lieu of payment.
<ul style="list-style-type: none"> Lack of consequence management. 	<ul style="list-style-type: none"> Case tracking occurs and matters are referred to Districts for assistance to expedite where necessary.
<ul style="list-style-type: none"> Progress report with regards to the disciplinary action against the Chief Director Legal Services. 	<ul style="list-style-type: none"> The case has been heard and awaiting the report from the presiding officer for implementation.
<ul style="list-style-type: none"> Consequence for non-compliance with the provisions of the Treasury Regulations. 	<ul style="list-style-type: none"> Written warnings were issued for various personnel in SCM.

4.6 Provincial Forensic Audits – GPG Forensic Investigations

In addition to coordinating and collaborating with other state institutions that have a mandate to investigate specific matters, the Gauteng Provincial Government established its own internal Provincial Forensic Audits (PFA) Division which was for many years placed under Provincial Treasury.

Since 2019, the Provincial Forensic Audits Division was transferred to the Office of the Premier to ensure proper coordination with other agencies referred to in this Report: the SIU, PSC, PP and AGSA on matters requiring investigations.

This decision has enabled the provincial government to adhere to the Minimum Anti-Corruption Capacity (MACC) requirements which guide, amongst others, that the provincial forensic capacity be based at Offices of the Premier.

Table 17 below shows the status of GPG forensic investigation cases which have been received by the Provincial Forensic Audits in the past five years (2017/2018 to the 2020/2021)

Table 17: Forensic investigation cases received by the PFA

YEAR	Total Received	Analysis	Planning	Execution	Reporting	Finalised		Closed @ Lead	Dept	
						Internally investigated	Outsourced cases		Referred	Finalised
2017/2018	79	-		11	14	26	18	7	3	3
2018/2019	50	-	1	8	11	10	7	13	-	-
2019/2020	57	-	9	5	7	9	9	12	6	0
2020/2021	84	-	12	15	7	2	0	29	19	2
2021/2022	68	15	2	2	4	9	2	8	26	8
Total	338	15	24	41	43	56	36	69	54	13
						92				

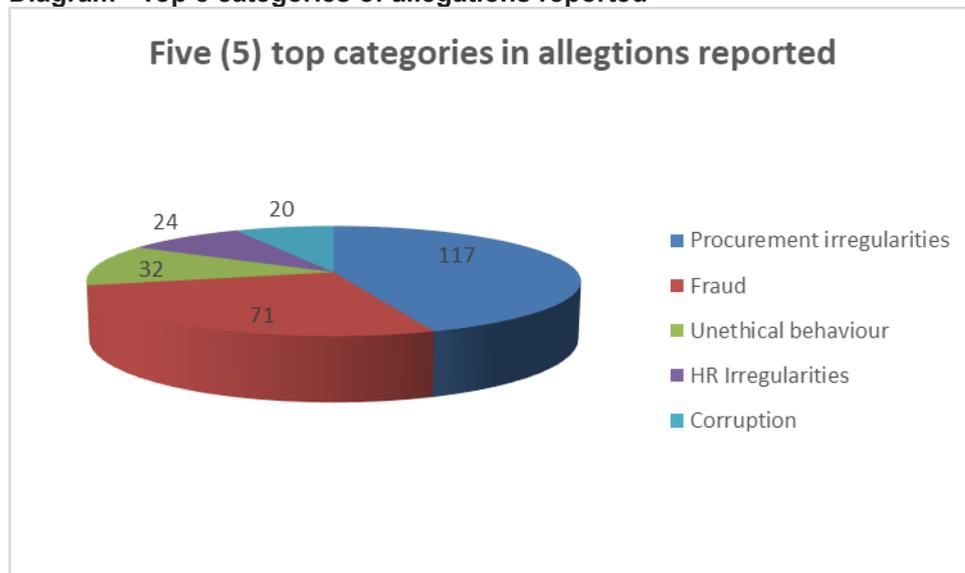
Below is the summary of received cases as of 2017/18 up to 31 March 2022:

- A total number of 338 requests were received by the Provincial Forensic Audit (PFA) from 2017/2018 financial year up to 31 March 2022. 174 (51%) were finalised; 54 (16%) referred to Departments for investigation; 15 (4,4%) requests are at analysis stage, 24 (7.1%) a 41 (12.1%) at execution stage while 43 (13.7%) are at reporting stage.
- The time it takes to institute forensic investigations and the quality of some of the investigations in relation to consequence management has led to the need to strengthen coordination and collaboration between various institutions and agencies.
- However, Table 18 shows that the Gauteng Provincial Government has been working swiftly to implement any recommendations coming from Chapter 9 institutions and investigating agencies (94% of the recommendations have put acted upon either fully or they are in the process of being implemented).

The top five (5) highest number of cases which needed to be investigated are from the following departments:

- Gauteng Department of Health – 105 (31%).
- Gauteng Department of Social Development – 36 (10%).
- Gauteng Department of Education – 34 (10%).
- Gauteng Department of Roads & Transport – 32 (9.4%).
- Gauteng Department of Human Settlements – 39 (12%).

Diagram - Top 5 categories of allegations reported



Based on the chart above, it shows that the majority of the alleged reported cases are on procurement irregularities and fraud.

The Gauteng Provincial Government War Room on clean governance, clean audits and payment of service providers on time is addressing all these problems. The objectives of the War Room include amongst others the development of systems processes and internal controls to improve the financial management environment and to curb fraud and corruption in the supply chain management environment.

4.7 Conclusion

One of the strategic priorities of the Gauteng Anti-Corruption Strategy is to intensify anti-corruption awareness programmes which result in investigation and reporting of cases of alleged corruption. The United Nations Handbook on Practical Anti-Corruption Measures for Prosecutors and Investigators (2004, p. 45) identifies four key responses to corruption as follows:

- Criminal or administrative prosecutions, leading to possible imprisonment, fines, restitution orders or other punishment;
- Disciplinary actions of an administrative nature, leading to possible employment-related measures such as dismissal or demotion;
- Bringing or encouraging civil proceedings in which those directly affected (or the State) seek to recover the proceeds of corruption or ask for civil damages; and
- Remedial actions, such as the retraining of individuals or restructuring of operations in ways that reduce or eliminate opportunities for corruption (but without necessarily seeking to discipline those involved).

The Gauteng Provincial Government prioritises investigation of all reported allegations of fraud, corruption and maladministration. However, the most important question is what happens to the recommendations of the investigations. The next chapter will focus on resolution and consequence management.



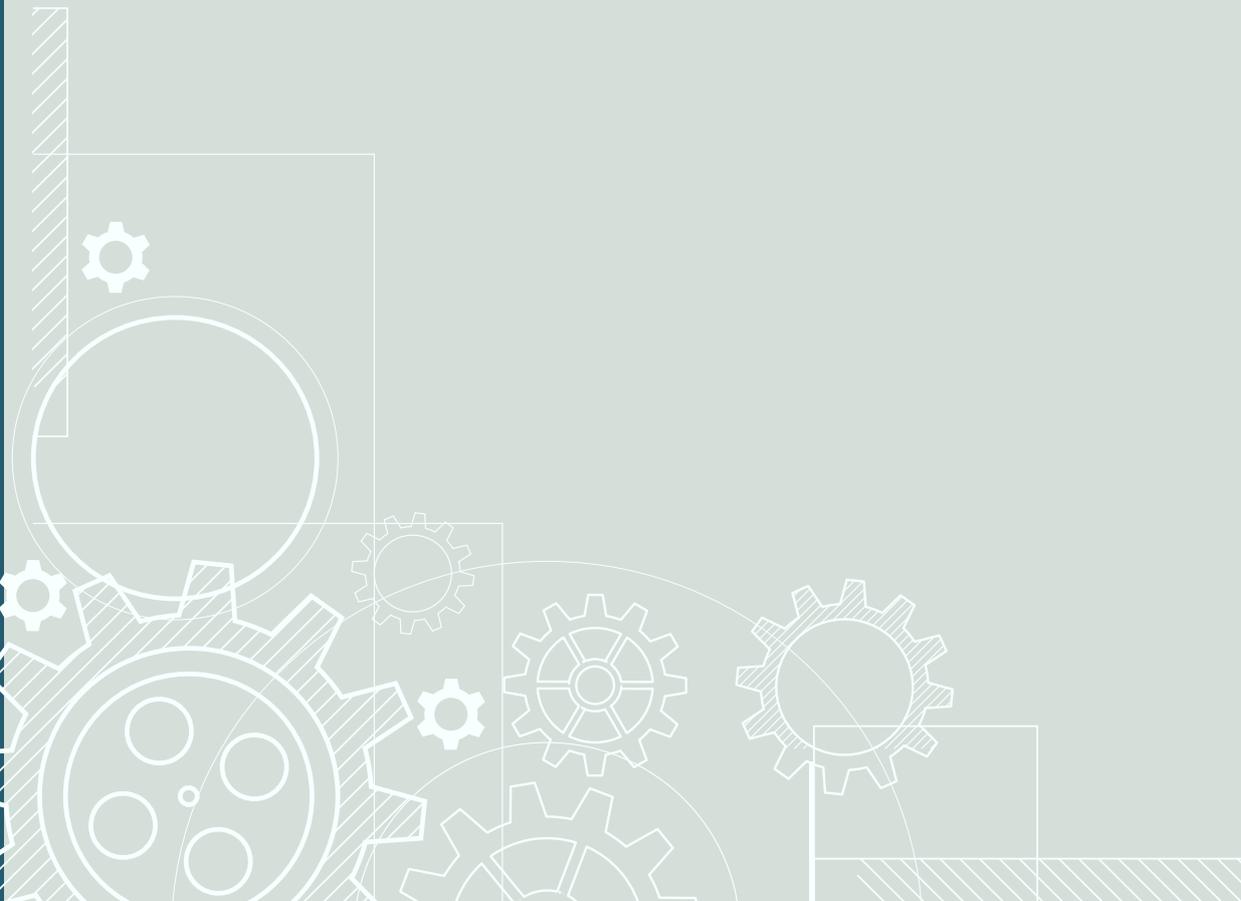
**The Executive Council
has established a War
Room that will pay
attention to all matters
of sound financial
management, clean
audits and payment of
service providers within
30 days**





PART E

RESOLUTION AND CONSEQUENCE MANAGEMENT



5.1 Introduction

Organisations spend a lot of money conducting investigations and reports are produced with recommendations. An investigation is not complete without the implementation of recommendations. These recommendations are expected to be implemented by the relevant departments and entities. Recommendations include disciplinary actions to be taken against officials, opening of criminal cases, recovering of monies lost by the state, strengthening internal controls.

5.2 The status of the recommendations of forensic investigations

In the different sections of this Report, we have given a status report regarding the implementation of the outcomes of various investigations conducted by the SIU, PSC, PP and the AGSA. In this chapter, we will give specific details on the implementation of the outcomes of the forensic investigations.

The Provincial Forensic Audits Division continues to track the implementation of recommendations on a quarterly basis and it also assists departments with opening criminal cases on matters investigated internally and externally.

Table 18: status of the implementation of the recommendations of the Forensic Investigations

RECOMMENDATIONS													STATUS ON IMPLEMENTATION OF RECOMMENDATIONS							
Department	No of Investigation Reports	Total Recommendations from Investigations				Financial Implications				Recommendations Implemented					Not Implemented					
		Internal Control	Criminal Cases	Civil Cases	Disciplinary Cases	Total Expenditure Amount	Type of expenditure			Amount to be recovered	Amount Recovered/ Paid	Total Recommendations Implemented	Internal Control	Criminal Cases		Civil Cases	Disciplinary Cases			
						Unauthorised	Irregular	Fruitless & Wasteful												
GDE	6	107	77	11	5	14	-	R318 658.82	R 358 349.97	R71170.97	105 (98%)	76	11	5	13	2 (2%)	-	-	-	-
e-GOV	6	59	22	4	6	27	R480 000.00	-	R4 197 777.93	R161 527.93	52 (88%)	21	4	4	23	6 (10%)	-	-	-	1 (2%)
GPT	12	66	52	3	4	7	-	-	-	-	63 (95%)	50	2	4	7	3 (5%)	-	-	-	-
GDRT	4	38	16	3	2	17	-	R200 000 000.00	R286 406.36	-	16 (42%)	7	1	-	8	22 (58%)	-	-	-	-
COGTA	2	22	10	1	3	8	-	R878 745.30	-	-	20 (91%)	9	-	3	8	2 (9%)	-	-	-	-
GDARD	11	135	66	7	11	51	-	R84 117 620.46	R701 959.84	R7 497 834.79	94 (70%)	53	3	6	32	8 (7%)	-	-	-	33 (24%)
GDCS	8	49	15	1	8	27	R12 622 875.45	-	R28 711 483.57	-	46 (94%)	15	1	8	22	3 (6%)	-	-	-	-
GDSD	18	223	88	38	16	81	-	R977,382,674.84	R5,896,329,25	-	92 (42%)	55	5	2	30	128 (57%)	-	-	-	3 (1%)
GSARC	4	73	33	3	3	34	-	R12 500 000.00	-	R19 500 000.00	59 (81%)	30	2	2	25	14 (19%)	-	-	-	-
GDH	56	298	161	44	16	77	-	R83 025 702.31	R154 792 859.53	-	116 (39%)	69	5	2	40	148 (50%)	-	-	-	34 (11%)
GDID	4	15	7	1	2	5	-	R9 600 000.00	R6 057.45	-	1 (7%)	-	-	1	14 (93%)	-	-	-	-	-

RECOMMENDATIONS		STATUS ON IMPLEMENTATION OF RECOMMENDATIONS															
		Total Recommendations from Investigations				Financial Implications				Recommendations Implemented			Not Implemented				
Department	No of Investigation Reports	Internal Control	Criminal Cases	Civil Cases	Disciplinary Cases	Total Expenditure Amount	Type of expenditure			Total Recommendations Implemented	Internal Control	Criminal Cases		Civil Cases	Disciplinary Cases	In progress	
		Unauthorised	Irregular	Fruitless & Wasteful	Amount to be recovered	Amount Recovered/ Paid	Total Recommendations Implemented	Internal Control	Criminal Cases				Civil Cases				Disciplinary Cases
OOP	2	23	-	2	18	R 2 576.60	-	-	-	R 2 576.60	42 (98%)	22	-	2	18	1 (2%)	-
GDED	3	5	1	3	18	R77 511700.00	R70 511 700.00	-	R7 000 000.00	-	15 (56%)	3	1	3	8	12 (44%)	-
GDHS	3	12	1	2	3	R125 518 493.65	R85 491 019.96	R38 237 557.41	R1 789 916.28	-	6 (33%)	5	1	-	-	12 (67%)	-
G-Fleet	3	8	1	1	3	R2 915.41	-	-	R2 915.41	-	8 (62%)	7	-	-	1	3 (23%)	2 (15%)
Cradle	1	-	-	1	12	R16 752.00	-	-	R16 752.00	-	9 (69%)	-	-	-	9	4 (31%)	-
Total	143	1199				R 616,912,774.78			R 616,912,774.78		744 (62%)				382 (32%)		73 (6%)

Summary of Table 18 is as follows:

- One thousand one hundred and ninety-nine (1199) recommendations were made from various investigation reports issued between 2017/2018 to 2021/2022 financial year.
- A total of 1126 (94%) recommendations have received the attention of the relevant government departments and agencies: 744 recommendations have been implemented fully and 382 are in the process of implementation. Only 6% (73) are not yet implemented.
- The Integrity Management Unit and the Provincial Forensic Audits Division have been working with all departments and agencies to ensure that remedial action is implemented, including disciplinary processes, criminal charges and civil claims to recover funds.
- The Premier continuously engages MECs and the HoDs on the implementation of proactive steps to prevent, detect, investigate fraud and corruption and administer consequence management.
- The Accounting Officers have limited capacity with the implementation of disciplinary actions. The Office of the Premier is assisting Departments with the appointment of presiding officer (external) for Disciplinary purpose and opening criminal cases on matters investigated internally and externally.
- The Office of the Premier is currently working with the Asset Forfeiture Unit to determine the cases for civil recovery.

5.3. Implementation of recommendations on investigations conducted by other agencies

5.3.1 Public Service Commission

Table 19: Progress made in the implementation of PSC recommendations

Department	No of Investigation Reports	RECOMMENDATIONS								STATUS OF RECOMMENDATIONS						
		Total Recommendations for Investigations 65				Financial Implications				Implemented 21						
		Internal Control	Criminal Cases	Civil Cases	Disciplinary Cases	Amount to be recovered	Type of expenditure			Amount Recovered/ Paid	Internal Control	Criminal Cases	Civil Cases	Disciplinary Cases	In progress	Not Implemented
							Unauthorised	Irregular	Fruitless & Wasteful							
GDE	1	3	-	-	-	-	-	-	-	3	-	-	-	-	-	
GDED	1	1	-	-	-	-	-	-	-	-	-	-	-	-	1	
GDARD	1	6	-	-	4	-	-	-	-	2	-	-	0	2	6	
e-Gov	1	1	0	0	1	-	-	-	-	0	1	0	0	1	0	
GDH	10	24	-	1	10	-	-	-	-	7	-	0	0	10	18	
GDS	1	3	-	-	-	-	-	-	-	3	-	-	-	-	0	
GDID	2	2	-	1	2	To be determined	-	To be determined	-	0	2	-	0	2	1	
GDSACR	1	1	0	0	5	-	-	-	-	0	0	-	-	0	6	
TOTAL	18	41	0	2	22	-	-	-	-	0	18	0	0	3	18	26

- There are 65 recommendations from the 18 final investigations reports issued by the Public Service Commission to the Gauteng Provincial Government departments. A total of forty-one (41) recommendations are for improvement of internal controls, two (2) recommendations are for civil recovery and twenty-two (22) recommendations are for disciplinary cases.
- Of the 65 recommendations, 21 are fully implemented and 18 are in progress, making it 41 interventions (60%) to date in implementing the remedial action of the PSC. We have given a clear directive to all accounting officers to implement the remaining 26 recommendations from the PSC.

5.3.2 Office of the Public Protector

Table 20: Progress made in the implementation of the Office of the Public Protector remedial actions

Department	No of Investigation Reports	REMEDIAL ACTIONS									STATUS OF REMEDIAL ACTIONS					
		Total Remedial Actions for Investigations - 34				Financial Implications					Implemented - 27				In progress	Not Implemented
		Internal Control	Criminal Cases	Civil Cases	Disciplinary Cases	Amount to be recovered	Type of expenditure			Amount Recovered/ Paid	Internal Control	Criminal Cases	Civil Cases	Disciplinary Cases		
					Unauthorised	Irregular	Fruitless & Wasteful									
Health	4	17	-	-	2	-	-	-	-	-	12	-	-	1	-	6
e-Gov	1	2	-	-	2	-	-	-	-	-	2	-	-	2	-	-
DED	1	4	-	-	-	-	-	-	-	-	3	-	-	-	1	-
COGTA, DHS, DSD	1	7	-	-	-	-	-	-	-	-	7	-	-	-	-	-
TOTAL	7	30	-	-	4	-	-	-	-	-	24	-	-	3	1	6

There are thirty-four (34) remedial actions from the seven (7) final investigations reports from the Office of the Public Protector on different departments; thirty (30) remedial actions are of internal controls and four (4) remedial actions are for disciplinary cases. Of the 34 remedial actions, 27 remedial actions have been fully implemented and one (3%) remedial action is in progress. This means more than 80% of the remedial action is receiving government attention. All affected departments have been directed to implement the remaining 6 recommended remedial actions.

5.3.3. Special Investigating Unit

In the chapter dealing with Investigations, we have already given the status and implementation of all investigations conducted by the Special Investigating Unit.

5.3.4. Conclusion

Conducting forensic investigation for alleged cases of corruption, fraud and maladministration is necessary but insufficient if it is not followed by rigorous action and bringing perpetrators of wrongdoing to book. Another vital consideration is that resolution of cases brings credibility to the anti-corruption process. Citizens can only trust the call to fight corruption when they have evidence that not only are complaints investigated, but disciplinary action is also taken and criminal charges are brought against those implicated.



PART F

CONCLUSION



6.1. Areas of improvement and further interventions:

The Gauteng Provincial Government is publishing this Report on the Integrity Management Systems and Anti-Corruption Strategy to provide information and ensure accountability on the work we have been doing to build systems and structures that will create an environment that promotes integrity, accountability and transparency, thus eliminating opportunities for fraud and corruption to take root and become rife in government.

The efforts and initiatives we have undertaken have been in partnership with the Gauteng Ethics Advisory Council, the civil society advisory panel on ethics and our own anti-corruption watchdog. We thank members of the GEAC for their patriotic duty and contribution to the fight against corruption in our province.

We have also worked in partnership with Chapter 9 institutions whose contributions and relations we value in building an enduring democracy and transformative constitutionalism – the SIU, PSC, PP, AGSA and SSA.

There is an improvement in putting in place ethics structures and plans; progress in disclosures and vetting of SMS and SCM members. There is also significant improvement in the implementation of forensic investigation outcomes - more than 84% of all recommendations arising from different forensic investigations are either fully implemented or being implemented.

We are beginning to see more concerted effort to administer serious consequence management such as the disciplinary action against 517 public servants dismissal of senior officials, opening of criminal cases (147 criminal cases) and instituting civil claims (69).

The Open Tender system, which was piloted in 2014 has now been fully institutionalised and has improved openness and transparency of the provincial government's procurement processes. All tender processes are subjected to probity auditing conducted by independent auditors and this is minimising the risk of corruption and manipulation of tender processes. However, we know that emergency procurement was hijacked by crooked officials to trigger a looting spree during the COVID-19 pandemic in the area of PPE procurement and infrastructure projects.

We know that citizens want to see concrete results that will bring about an end to corruption now. We know that we still have a long way to go to ensure that monies are recovered and those implicated are brought to book.

The contribution of this Report is to show the investments we have been making in changing the entire system and culture so that integrity and ethical leadership are rewarded while corruption and malfeasance are prevented, detected, investigated and punished.

We would like to see more action and quick systemic improvements that will be more preventive and proactive rather than reactive. We want to change the culture and build a corruption-free institutional and societal environment.

6.2. Areas of intervention

- **Focused approach to instilling values** – Gauteng Provincial Government departments must prioritise and intensify the promotion of ethical values as these have a potential to eliminate unethical conduct. Public servants will be encouraged to focus on building trust and nurturing values. Trustworthiness of public processes could result in openness, competency, integrity and kindness. There will be a concerted effort to ensure that public servants align their duties to the strategic values, work values and ethical values (conviction about how we treat people). This is in line with Principle 1 of the King VI which require those in management positions to lead ethically and effectively and most importantly, to ensure that their conduct is characterised by, amongst others, integrity and competence.
- **Continuous capacity building programmes** – There is a need for continuous building of capacity for prevention, detection, investigation and resolution of acts of fraud and corruption in the province. This provides anti-corruption practitioners with the modern anti-corruption techniques. The Office of the Premier will devise different types of capacity building programmes targeting all levels of the organisation. The context specific capacity building programmes become relevant for changing the culture of organisations. These will include, amongst others, the following:
 - Conceptualise and implement ethics webinars
 - Values-based leadership training
 - Leadership dialogues to promote openness and transparency
 - Training in ethical decision-making
 - Implement quizzes and newsletters
 - Promote ethics stories writing and sharing
 - Collaborate with GCRA and NSG to implement Code of Conduct training
 - Conduct Leadership style assessments

- **Tone at the top** – The tone at the top plays a crucial role in building and sustaining an ethical organisational culture. The Office of the Premier is considering using international agreements to identify coaches and mentors for Members of the Executive Council and Heads of Department.
- **Conduct ethics risk assessments** – Ethics risk assessments provide an understanding of the areas for improvement in the ethics programmes of organisations. It may assist with the following:
 - Proactively implement controls to mitigate risks and compile context specific ethics strategies.
 - Conduct ethics maturity assessments.
 - Conduct ethics surveys.
- **Collaboration with other public sector agencies** – The Office of the Premier will continue to formalise collaboration, consultation, mutual support and co-operation with public sector institutions like SIU, PP, PSC, NPA/AFU, DPCI, FIC etc. The partnership with these institutions serves to strengthen and formalise a relationship between the parties to speedily combat and eradicate fraud, corruption, maladministration and malpractice in the Gauteng Province.
- **Protection of whistle blowers** – GPG and national government to put in place a funded programme to protect and incentivise whistle-blowing. We need to see swift prosecutions and civil claims to recover monies lost to the state as a result of corruption and maladministration

6.3. Reporting, Monitoring, Evaluation and Compliance

For purposes of reporting on and assessing compliance with the ethics and anti-corruption legislation or reviewing the effectiveness of the implementation of ethics and anti-corruption legislation in Gauteng, the Office of the Premier is tracking implementation through the following structures:

6.3.1. Premier’s Integrity Management Accountability Sessions

On 18 – 19 March and 13 April 2021, the Premier held Integrity Management Accountability Sessions with Members of the Executive Council and Heads of Department. The purpose of these engagements was to obtain progress reports from departments in the implementation of ethics and anti-corruption programmes, progress in the implementation of recommendations from AGSA, Internal Audit and the Audit Committee, and setting the tone of zero tolerance to corruption, and adherence to good governance principles in the business of government. These sessions dealt with progress made in pro-actively preventing, detecting, investigating and resolving matters related to ethics, fraud and corruption. This is to ensure that a strong ethical culture which is the foundation of clean governance is entrenched in business of government.

6.3.2. Engagement Sessions with the Heads of Department

The Office of the Premier is also arranging on-going engagement sessions with the respective Heads of Department. The purpose of these engagements is, amongst others, to obtain progress reports and identify the challenges from departments in the implementation of ethics and anti-corruption programmes.

6.3.3. Gauteng Audit Committee

The Gauteng Audit Committee is an independent governance structure established and constituted in terms of sections 38(1)(a)(ii) and 77 of the Public Finance Management Act (Act 1 of 1999) and section 3.1 of the Treasury Regulations. The Audit Committee operates independently and is supported and endorsed by the Executive Council. The primary purpose of the Audit Committee is to transversally assist management of departments to fulfil its oversight responsibility. The Audit Committee is also responsible for key ethics functions such as reviewing process of whistle blowing and procedures for detecting and preventing fraud as well as considering the forensic investigation reports from the Provincial Forensic Services.

The work of the Gauteng Audit Committee involves among others, monitoring the integrity of the GPG departments’ financial statements and reporting system, ensuring that departments comply with legal and regulatory requirements and monitoring compliance with ethical standards, including the maintenance of preventive fraud controls.

6.3.4. Gauteng Ethics Advisory Council

The GEAC is responsible for, amongst others, monitoring trends in integrity and corruption and the adequacy and effectiveness of initiatives undertaken by the Premier and the Executive Council. The outcomes of this monitoring exercise by the GEAC and all its other programmes is reported biennially on its “*Report on the state of ethics, integrity and clean governance*” in the Gauteng City Region.

The greatest strength of this exercise is that it is prepared by an independent civil society-led structure and is solely focusing on reporting to the public about various initiatives undertaken to address the scourge of corruption in Gauteng.

6.3.5. Provincial Anti-Corruption Coordinating Committee

The Provincial Anti-Corruption Coordinating Committee (PACCC) comprises senior anti-corruption practitioners, Ethics Officers and investigators from the Gauteng Provincial Government departments. The committee meets quarterly and serves, amongst others, as a podium for information sharing on anti-corruption and fraud initiatives relating to prevention, detection, investigation as well as prosecution. All Ethics Officers are expected to submit quarterly progress reports on the progress implementation of ethics and anti-corruption within their respective departments.

This report serves to confirm that it is indeed an on-going priority of the Gauteng Provincial Government to institutionalise integrity within the system of government as a way of mitigating and fighting corruption. This includes building a culture of positive values and ethics across the system of government, strengthening institutional transparency, accountability and ensuring that Gauteng Provincial Government institutions receive clean audits and meet their targets.



We know that citizens want to see concrete results that will bring about an end to corruption now.



REFERENCE

The United Nations Convention against Corruption Safeguarding against Corruption in Major Public Events LESSON 15: Detection of corruption and law enforcement



GAUTENG
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA