



KWAZULU-NATAL PROVINCE

OFFICE OF THE PREMIER
REPUBLIC OF SOUTH AFRICA



PUBLIC SECTOR FINANCE INTERNS YOUNG PROFESSIONALS SUMMIT

“Navigating Uncertainty: Empowering Young Finance Professionals for
Economic Resilience”

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GROWING KWAZULU-NATAL TOGETHER



Ethics

Frequently asked questions

- Do government institutions have enough measures in place to promote ethical culture?



Scenario 1

- Joe is a senior manager at your municipality. He has a company on the side that provides catering services. His company gets a tender with the municipality, and no one picks up on this. It only comes to light during an Auditor General audit and the municipality gets a finding against it.

When confronted, Joe said that he had declared his shares in his company on his annual financial disclosure, and that he is therefore covered.

Is he right?



Managing conflict of interests Cont... – **Municipal** **Systems Act, Act 32 of 2000 – Schedule 2 Code of Conduct for** **Municipal Employees**

Other Remunerative Work

4(2)(c) Except with the prior consent of the council of a municipality, a staff member may not be engaged in any business, trade or profession other than the work of the municipality.



Managing conflict of interests Cont... - Public Administration Management Act

Section 8(2) of the Act states that an employee may not—

- (a) conduct business with the State; or
- (b) be a director of a public or private company conducting business with the organ of state.

Section 8(3) of the Public Administration Management Act

- (a) It is an offence,
 - **Penalty**: a fine or imprisonment for a period not exceeding 5 years or both; and
- (b) *It* constitutes serious misconduct
 - **Penalty**: may result in the termination of service.



Scenario 2

Mrs. Green is the Senior Manager of the district municipality. The district municipality is upgrading its offices, and she is assigned the responsibility of sourcing new furniture. Instead of asking several suppliers to prepare quotes she gives the contract to a friend of hers. She knows they do good work.

Is the conduct of Mrs. Green ethical or not? Why?



Procurement... - The Constitution of the Republic of South Africa

Section 217(1)

When an organ of state in the national, provincial, and local sphere of government contracts for goods or services it must do so with a system which is;

Fair

Equitable

Transparent

Competitive

Cost effective



Scenario 3

You are an official working in the procurement office.

Yesterday you received a gift to the value of R300 from an existing stationery supplier.

There is no tender or request for proposals to go out anytime soon.

Will you accept the gift? Why or why not?



Prevention and Combating of Corrupt Activities Act (2004)

- If you receive any form of gratification (gift, favour, loan, etc.) in return for abusing your official power in any way, you may be guilty of corruption.
- Sentences:
 - High court – up to life imprisonment
 - Regional magistrates court – up to 18 years
 - District magistrates court – up to 5 years



Offences in respect of Corrupt Activities - PRECCA

Section 4 Offences in respect of corrupt activities relating to public officers.

- a. Public officer who directly or indirectly accepts or agrees or offers to accept gratification to influence another person to act illegally.

Section 12 Offences in respect of corrupt activities relating to contracts.

- a. Any person who directly or indirectly accepts or agrees or offers to accept gratification in order to influence the award of a contract.



Offences in respect of Corrupt Activities – PRECCA cont...

Section 13 Offences in respect of corrupt activities relating to procuring and withdrawal of tenders.

- a. Any person who directly or indirectly accepts or agrees or offers to accept gratification in order to personally or influence another person to award a tender.

THANK YOU

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