



**OFFICE OF THE PUBLIC SERVICE COMMISSION
REPUBLIC OF SOUTH AFRICA**

MEMORANDUM

TO:	THE DIRECTOR-GENERAL
THROUGH:	THE DDG: CS <i>Beun 07/12/2016.</i>
FROM:	THE CD: PSC <i>[Signature] 7/12/2016</i>
SUBJECT:	2016 ETHICS RISK SURVEY REPORT

1. The purpose of this memorandum is to –
 - 1.1 inform the Director-General of the outcome of the Ethics Risk Survey conducted in the Office; and
 - 1.2 obtain the Director-General's approval for the draft Report on the Survey and the publication of the Report on the Intranet.
2. The Minimum Anti-Corruption Capacity Requirements requires the Office to conduct an ethics risk survey. A survey questionnaire was developed and placed on the PSC Intranet for electronic completion by 1 November 2016. All employees were invited via e-mail and on the Lift News to participate in the survey. The initial completion date was extended due to the poor response rate. Managers were requested to encourage employees to complete the survey.
3. It is proposed that the Director-General –
 - 3.1 takes cognizance of the outcome of the Ethics Risk Survey; and
 - 3.2 approves the draft Report and that it be placed on the Intranet.

[Signature]
DR D MAMPHISWANA
DIRECTOR-GENERAL
Date: 14/12/2016



Custodian of Good Governance

Report on the Ethics Risk Survey

12/5/2016

1. Purpose

The Public Service Commission's (PSC) Fraud Prevention Plan aims to encourage:

- a) a culture where all employees continuously behave ethically in their dealings with members of the public and other stakeholders; and
- b) all employees to strive towards the prevention and detection of fraud impacting, or having the potential to impact on the PSC.

In addition, the Minimum Anti-Corruption Capacity Requirements requires the Office to conduct an ethics risk survey.

In line with this requirement, the Office in 2013 and 2015 conducted surveys and placed the reports on the outcome of the surveys on the Intranet. The progress with the implementation of the 4 recommendations in the 2015 Report is as follows:

Recommendation	Progress with implementation
Improve awareness in respect of the Whistle-blowing Guidelines by circulating it to all staff and encourage employees to utilize mechanisms to report unethical behavior.	The Guidelines were circulated to all staff on 10 September 2015. Lift news on Guidelines included in awareness plan.
Submit the findings of the report to Members of the Senior Management Service (SMS) to appraise them of the perceptions of employees, especially employees at SL 9 – 12. It is further recommended that Members of the SMS be workshopped on ethical leadership.	Report was placed on the Intranet to create awareness of the findings. Code of Conduct workshops were conducted in the 2016/17 financial year in all branches. The presentation covered the 2015 survey findings.
Employees will be made aware of the fact that if a person is aware of a transgression of a regulatory requirement and does not report such transgression, such person will also be subjected to disciplinary action in the event that this is uncovered.	Lift news on "reporting inappropriate behavior" included in awareness plan.
The lack of respect for colleagues in the workplace and standards of professionalism should be addressed through a diversity management course and the planned internal workshops on the Code of Conduct for the Public Service.	No funding available to conduct the diversity management course. Code of Conduct workshops were conducted in the 2016/17 financial year in all branches.

The Fraud Prevention and Risk Management Committee again compiled a survey questionnaire. Through this survey, the Office measured employees' perceptions of ethics, conduct of employees and risk areas in order to identify areas for improvement.

Where possible, data from the previous survey was used in the analysis for triangular purposes.

2. The questionnaire

The survey questionnaire consisted of 25 questions. It was placed on the PSC Intranet for electronic completion by 1 November 2016. All employees were invited via e-mail and on the Lift News to participate in the survey. The initial completion date was extended due to the poor response rate. Managers were requested to encourage employees to complete the survey.

The survey was anonymous and employees were not required to provide their name nor any identifying details. Selected employees questioned the anonymity of the questionnaire and expressed a fear for victimisation. However, the report is generated electronically with no links to the personal particulars or e-mail addresses of employees. The purpose of the survey is also not to identify perpetrators, but to identify ethics risks.

Employees were requested to ensure that they provide a response to each question.

3. Respondent profile

A total of 102 (37%) out of 276 employees participated in the survey. This represents an increase of 6% in responses compared to the 2015 survey.

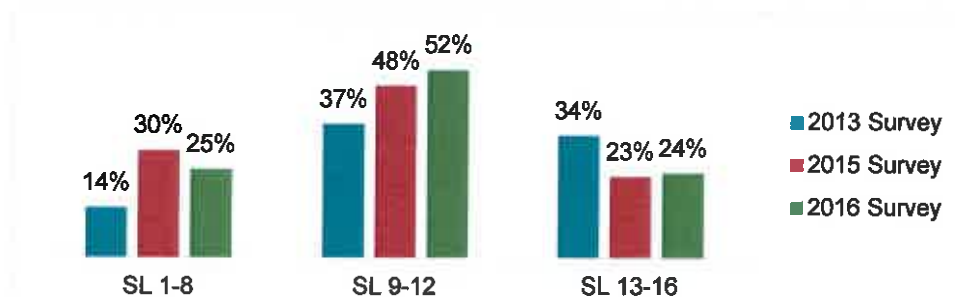


Figure 1: Percentage participation per SL

Figure 1 reflects the percentage of participation per Salary Level (SL). It shows that the level of participation of employees on SL 9 to 12 improved, whilst participation at SL 1-8 declined.

Figure 2 below shows the percentage of employees that participated in the survey per branch or provincial office. It is disconcerting that only 20% of employees in Corporate Services, that employs the highest percentage of employees in the Office (36%), participated in the survey.

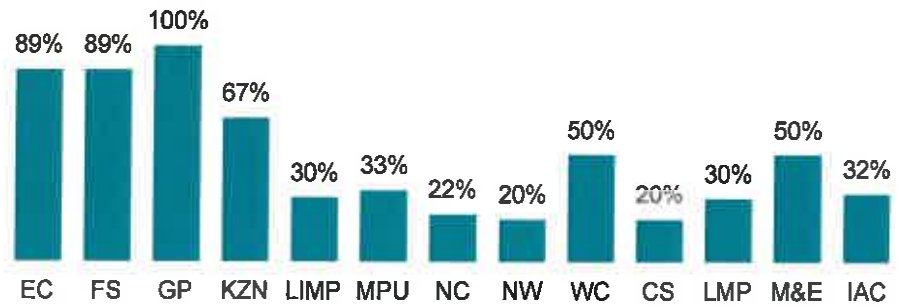


Figure 2: Percentage of employee participation in survey

4. Analysis

4.1 Honesty and ethics in the workplace

Honesty is one of the most desirable qualities in employees. Honesty is also essential to creating an appropriate work culture and makes the delegation of responsibility easier when co-workers are transparent about their abilities and skills. Two statements were presented to respondents to measure honesty in the workplace, namely:

- I occasionally take home small items from the office like pens and pencils.
- I go to the bathroom and find a cellphone. Finders keepers, losers weepers.

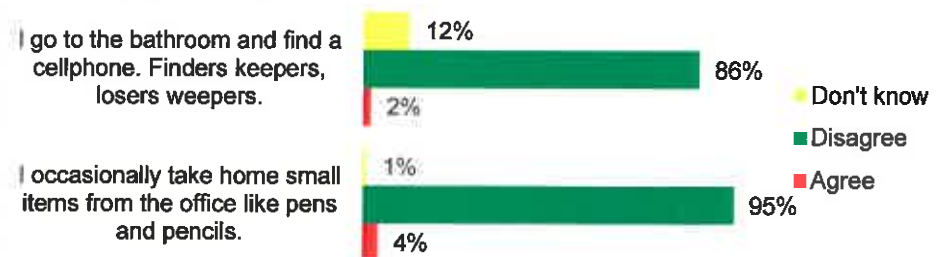


Figure 3: Statements to measure honesty in the Office

An analysis of **Figure 3** above shows that the employees who responded to the survey would act honestly in instances where they have to act truthfully in dealing with public funds and assets and the property of their colleagues.

Employees were also asked whether their managers explain the importance of honesty and ethics in the work they do. 75% of employees agreed that their managers explain the importance of honesty and ethics in the work they do. This represents an increase of 15% from the previous survey.

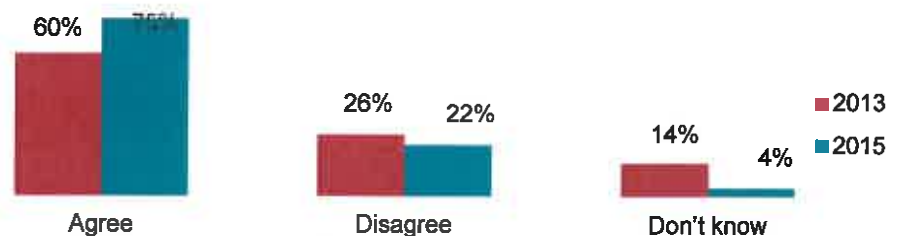


Figure 4: My manager explains the importance of honesty and ethics in the work we do

Employees on SL 9 – 12 are (58%) were more likely to agree with the statement that their managers explain the importance of honesty and ethics

in the work they do. This is a vast improvement from the previous survey where 28% of employees on SL 9 – 12 who responded to the survey disagreed with the statement, as compared to the 18% in the 2016 survey who disagreed with the statement.

It is disconcerting to note that in the 2015 survey 84% of employees on SL 2 - 8 were more likely to agree with the statement that their managers explain the importance of honesty and ethics in the work they do, whereas this has declined to 56% in the current survey. Employees on these levels require tighter supervision.

4.2 Pressure to act unethically

Pressure in the workplace can drive employees to do things they wouldn't normally do. Pressure to succeed, pressure to get ahead, pressure to meet deadlines and expectations, pressure from supervisors to engage in unethical activities or at least look the other way. Employees also sometimes act unethically because they think in doing so they are being loyal to the organization or to their supervisors. **Figure 5** below shows whether employees have felt pressure to compromise the PSC's ethical standards. 90% of employees who participated in the survey indicated they had not felt pressured to compromise standards. Over the past two years, there has been a decline of 3% of employees that participated in the survey that felt pressured by management or a colleague to act unethically.

The majority of employees that had perceived pressure to compromise the PSC's ethical standards are employed on SL 13-16. The fact that senior managers are of the view that they have been pressured by the management and a colleague to act unethically is a worrying factor.

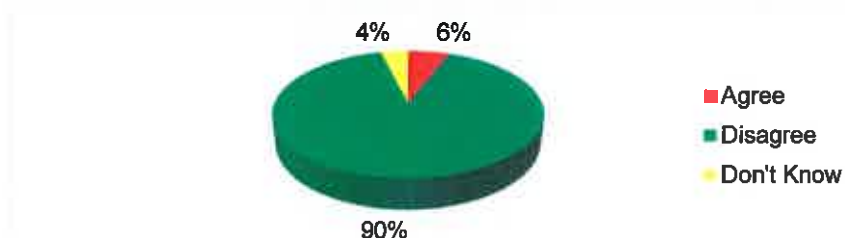


Figure 5: During the past year, I felt pressured by management or a colleague to do something unethical

4.3 Awareness of ethical misconduct

Employees were asked whether they had been aware of actual misconduct by others that either violated the law or the PSC's ethical standards (see **Figure 6** below). 26% of employees indicated they were aware of behavior that violated the law or the PSC's ethical standards. This represents a 20% decline from the 2015 survey.

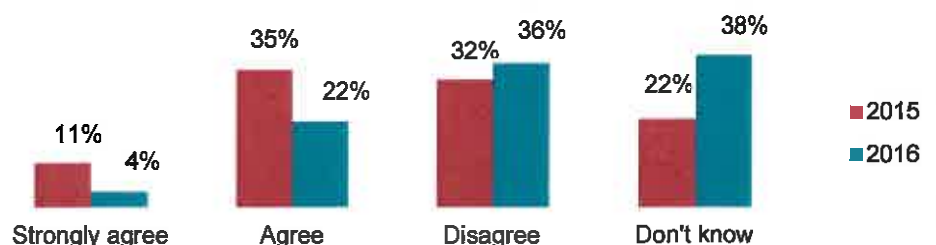


Figure 6: I am aware of conduct by others that either violated the law or the PSC's ethical standards

4.4 Disciplinary action against employees who violate ethical standards

The Disciplinary Code and Procedure for the Public Service determines that discipline is a corrective measure and not a punitive one. In addition, discipline must be applied in a prompt, fair, consistent and progressive manner. As discipline management must be progressive the employer should only initiate a disciplinary enquiry if the alleged misconduct justifies a more serious form of disciplinary action.

40% of employees that participated in the survey agreed with the statement that the PSC disciplines employees who violate ethical standards (see **Figure 7** below). This represents an increase of 4% since the previous survey.

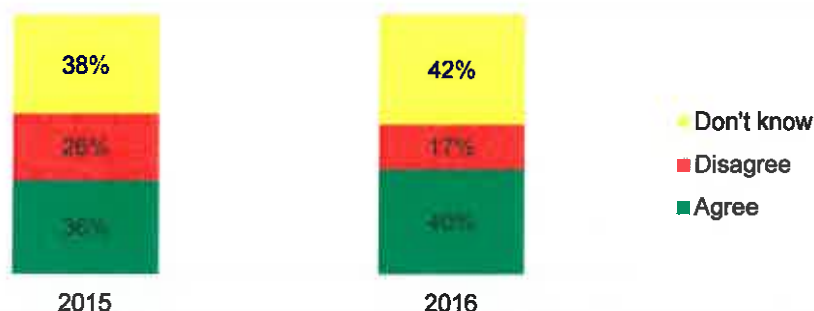


Figure 7: The PSC disciplines employees who violate ethical standards

4.5 Remunerated work outside the Public Service

All employees in the PSC are required to request permission from the EA or Director-General (as delegated authority) before they perform remunerative work outside the Public Service¹. 9% of employees that participated in the survey disagreed with the statement that they declare remunerated work they perform after hours. It would appear that the question posed challenges to some employees, who does not perform remunerative work outside the Public Service.

24% of employees on SL 1-8 that participated in the survey are not likely to obtain permission to perform remunerative work outside the Public Service, as they disagreed with the statement that they declare remunerated work they perform after hours. As the Auditor-General made a finding regarding the failure of employees to declare remunerative work outside the Public Service in the 2015/16 financial year, this poses a serious risk to the Office.

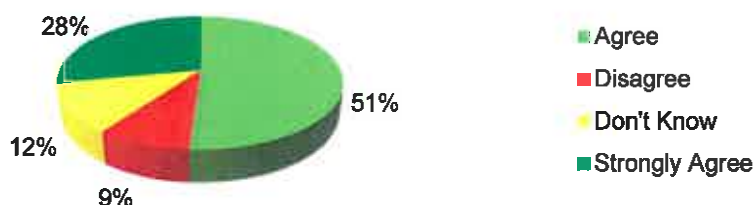


Figure 8: I declare remunerated work I perform after hours

4.6 Taking responsibility for actions

There are different types of responsibility in the workplace. Apart from those duties in their Job Descriptions, self-responsibility, which requires of each employee taking responsibility for his/ her own actions, is also important. Self-responsibility is related to accountability, which requires employees to accept blame for their errors or omissions and acknowledge the successes

¹ Republic of South Africa. Public Service Act, 1994, as amended. Section 30

and contributions of others. Employees are responsible for dealing with their colleagues and supervisors honestly and with integrity. In 2015, 88% of employees who participated in the survey indicated that they take responsibility for their actions, even if it cannot be traced back to them. This figure declined in 2016 to 68% and is cause for concern.

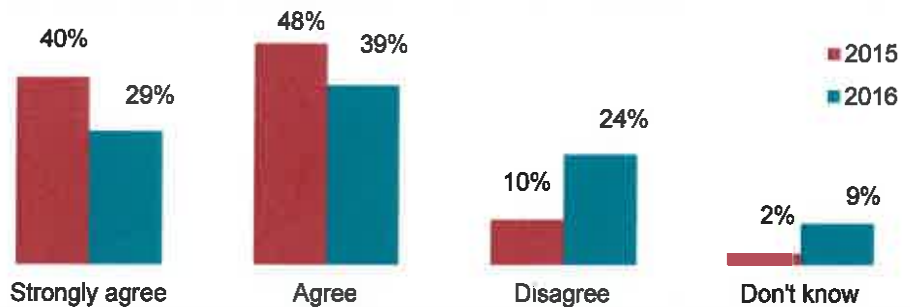


Figure 9: I make an error and another employee gets blamed. No one would be able to trace the error back to me. I immediately come forward to take responsibility

58% of employees who indicated that they will not come forward to accept responsibility for their own mistakes are employed on SL 9 – 12.

4.7 Support to act ethically

Ethics is not just about the regulatory framework that guides behavior (e.g. the Code of Conduct for the Public Service), but an ongoing management process that underpins the work of the Public Service. **Figure 10** below reflects the view of employees whether their managers support them in following the PSC's standards of ethical behavior. It is encouraging to note that the percentage of employees that participated in the survey that strongly agrees with the statement that they receive support from their managers in following the PSC's standards of ethical behavior has increased by 7%.

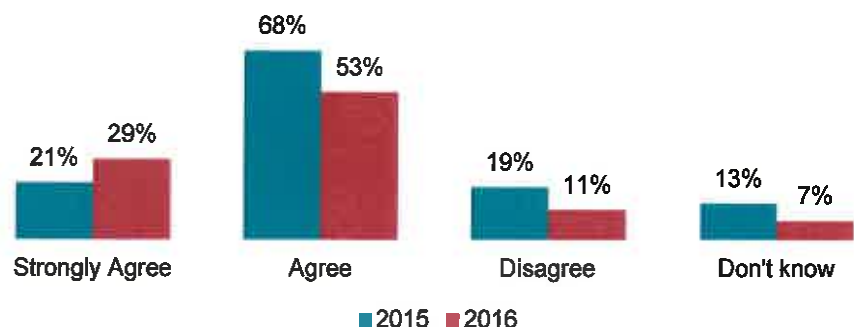


Figure 10: My manager supports me in following the PSC's standards of ethical behavior

4.8 Realisation of potential and targets

Three statements were presented to respondents to obtain their views on realizing their full potential and meeting targets, namely:

- If I don't work to my full potential, it is not unethical
- I have a responsibility to meet target dates set by my manager
- I feel that I deserve a merit award for doing the work expected of me

Figure 11 provides an analysis of the responses to the two statements.

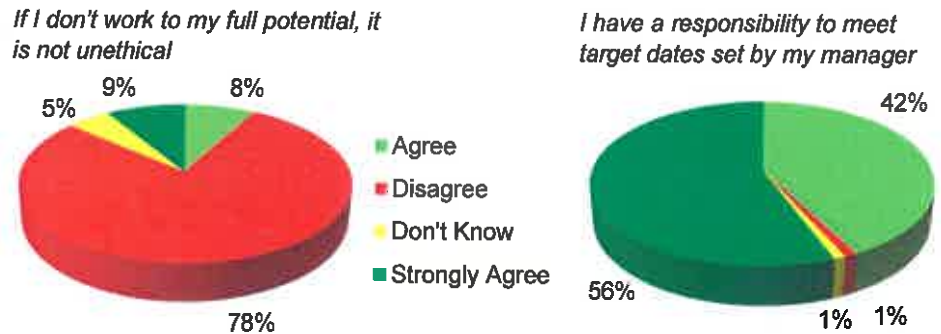


Figure 11: Realisation of potential and targets

78% of employees that participated in the survey agreed with the statement that if they don't work to their full potential it is not unethical and 88% of employees agreed that they have a responsibility to meet the targets set by their managers.

The majority of the employees that agreed with the statement are employed in the Branch: IAC, which is disconcerting given their role in promoting professional ethics in the Public Service.

One employee on SL 1- 8 in the Branch: Corporate Services did not agree with the statement that s/he has a responsibility to meet targets set by his/her manager.

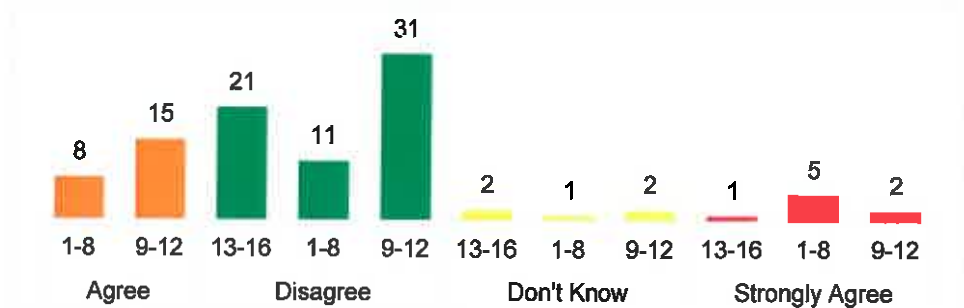


Figure 12: I feel that I deserve a merit award for doing the work expected of me

Performance rewards are payable to employees for meritorious performance. **Figure 12** reflects a worrying trend whereby 31% of the employees that responded to the question were of the view that they deserve a merit award for doing the work expected of them. These views clearly point to a need to conduct training on the performance management and development system.

4.9 Awareness about 'right and wrong'

Two statements were presented to respondents to measure their awareness about 'right and wrong', namely:

- It is fine to "pop out" of the office for 30 minutes and not inform my supervisor
- Travel with Flair gives me a voucher for a 2-day Hotel stay. I accept the voucher gladly

Figure 13 below indicates whether employees agree or disagree with the above statements. 78% of employees that participated in the survey disagreed with the statement that they will accept a voucher from a service

provider. It is disconcerting that 17% of employees strongly agreed or agreed with the statement and that almost half (44%) of these are at SL 13-16. Employees should refrain from receiving vouchers from service providers of the PSC.

It is encouraging to note that 98% of employees report short absences from duty to their supervisors. This shows an improvement of 4% from the previous survey.

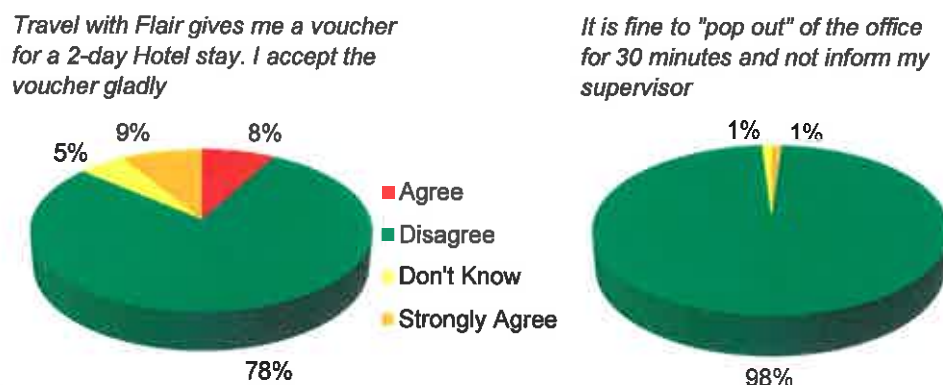


Figure 13: Ethical issues of 'right and wrong'

4.10 Awareness of the Code of Conduct for the Public Service

The Office depends on its employees to comply with the Code of Conduct for the Public Service. The Code emphasizes important ethical principles and establishes essential expectations of what the Office expects of its employees. During the period May to September 2016, Code of Conduct awareness workshops were conducted in all the branches and provincial offices. Employees were also expected to sign confirmation that they had read, understand and are in compliance with the Code of Conduct for the Public Service and agree that they will abide by the Code.

94% of employees that participated in the survey agreed with the statement that they are familiar with the Code of Conduct and that they act accordingly. Although concerted efforts were made to create awareness on the Code of Conduct, awareness declined by 4%.

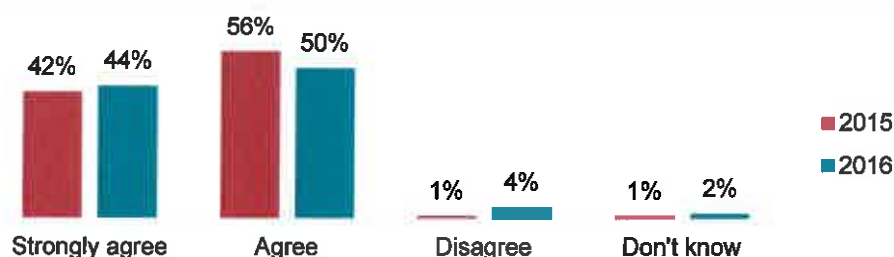


Figure 14: I am familiar with the Code of Conduct for the Public Service and act accordingly

One employee each on SL 13-16 in the Branch: IAC and M&E disagreed with the statement. This finding is worrisome considering that the employees that disagree with the statement are members of the Senior Management Service and Code of Conduct workshops were conducted in both branches.

4.11 Ethics in the workplace

Ethics in the workplace are important to ensure that employees conduct themselves in accordance with accepted principles of right and wrong. Three statements were presented to respondents to assess their perception of ethics in the workplace, namely:

- Ethics in the workplace is my responsibility.
- From the top down, the PSC is run with honesty, integrity and respect for other.
- I like to listen to my chatty co-worker who knows about the "latest news" in the Office

The responses to statements (a) and (b) above are analysed in **Figure 15.1** below.

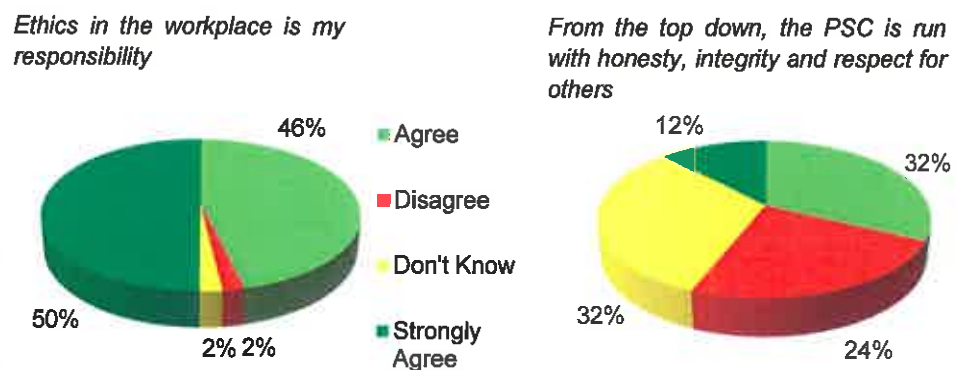


Figure 15.1: Perceptions of ethics in the workplace

96% of employees that participated in the survey agree with the statement that ethics in the workplace is their responsibility. However, only 44% of employees that participated in the survey agreed with the statement that the PSC is run with honesty, integrity and respect for others. This represents a decline of 34%, but could be ascribed to the 32% of employees that responded that they "Don't Know".

In respect of statement (c) above, **Figure 15.2** reflects that 79% of employees that participated in the survey disagreed with the statement.

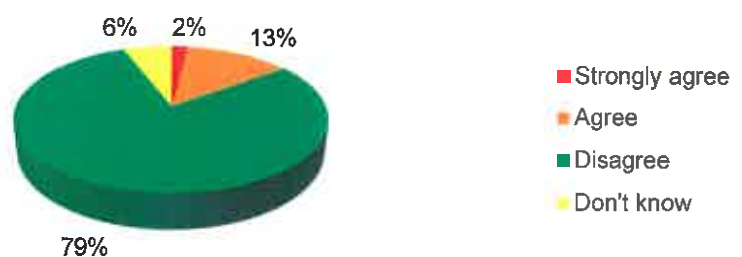


Figure 15.2: "I like to listen to my chatty co-worker who knows about the "latest news" in the Office"

4.12 Awareness of the Whistle-blowing Guidelines

The Whistle-blowing Guidelines provides employees in the PSC with a mechanism to raise concerns about fraud and corruption within the organisation. 84% of employees that participated in the survey indicated that they were aware of the Whistle-blowing Guidelines. There has been an increase of 13% of employees who are aware of the Whistle-blowing

Guidelines. This could possibly be ascribed to the Fraud Awareness presentations undertaken in the line function branches.

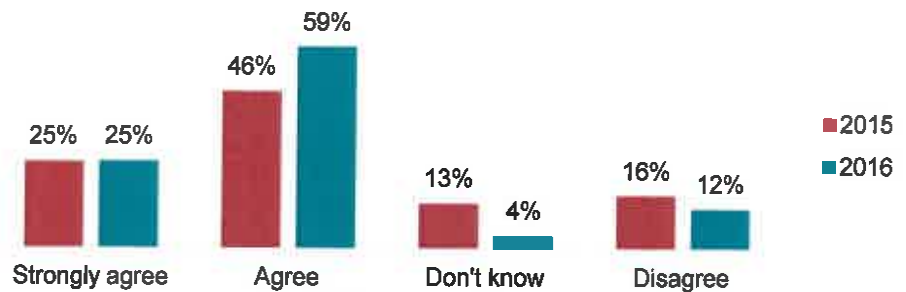


Figure 16: I am aware that the PSC has Whistle-blowing Guidelines

The fact that 1 employee on SL 13 – 15 that participated in the survey indicated “Don’t know” in response to the question is a worrying factor. All senior managers are expected to promote the Fraud Prevention Plan of the PSC.

4.13 Awareness of prevailing legislation

The Minister for Public Service and Administration on 29 July 2016, under section 41 of the Public Service Act, 1994, promulgated the Public Service Regulations (attached for ease of reference). The Regulations took effect on 1 August 2016. In an e-mail to all staff, dated 20 September 2016, all employees were requested to familiarize themselves with the new Regulations. The survey result shows that 78% of employees read the new Public Service Regulations. It is worrying to note that 20% of employees did not adhere to the request, as the Public Service Regulations finds application to the day-to-day operations of all staff.



Figure 17: I read the new Public Service Regulations, 2016, which was e-mailed to all staff in September 2016

4.14 Awareness of Disciplinary Code and Procedure and the Grievance Procedure

Disciplinary and grievance procedures are frameworks which provide clear and transparent structures for dealing with difficulties which may arise as part of the working relationship from either the employer’s or employee’s perspective. These procedures are necessary to ensure that everybody is treated in the same way in similar circumstances, to deal with issues fairly and reasonably, and to ensure that employers are compliant with prevailing legislation. In the 2016 financial year, senior managers within the Office was exposed to formal training on discipline and grievance management.

Figure 18 below shows the response of employees in relation to their awareness of the Disciplinary Code and Procedure and the Grievance Procedure. 94% of employees are aware of the Disciplinary Code and

Procedure and the Grievance Procedure. This shows an improvement in awareness of 9% of employees that participated in the survey.

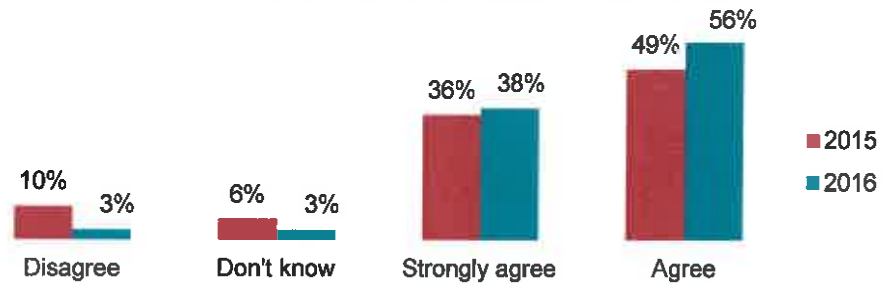


Figure 18: I am aware of the Disciplinary Code and Procedure and the Grievance Procedure

4.15 Awareness of internal policies

To ensure that employees act confidently in rendering organisational support, awareness of legal requirements is essential. Employees were asked to respond to the statement whether they have perused internal policies, e.g. Recruitment and Selection Policy, Travel Policy, Fraud Prevention Plan, Telephone Policy. 83% of employees regularly check internal policies (6% increase from the previous survey) It is worrying that 13% of Senior Managers that participated in the survey do not regularly check internal policies, especially since they should set an example.

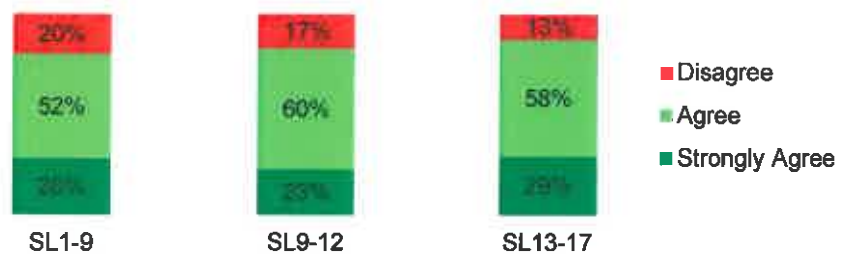


Figure 19: I regularly check the internal policies of the PSC on the Intranet, e.g. Recruitment and Selection Policy, Travel Policy, Fraud Prevention Plan, Telephone Policy

4.16 Risk management at Branch level

Employees were requested to indicate whether the risk facing the PSC is discussed at branch meetings. It is disconcerting to note that as many as 31% of employees disagreed with the statement that the risks facing the PSC are discussed at branch meetings. 40% of the employees in the Branch: Corporate Services that participated in the survey did not agree with the statement.

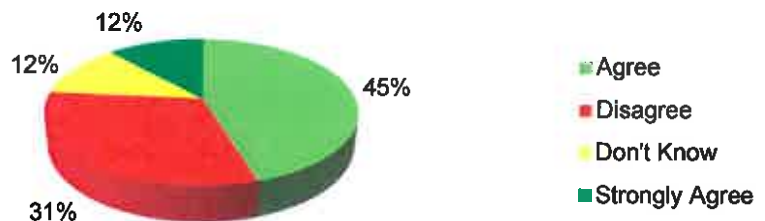


Figure 20: We discuss the risks facing the PSC at our Branch meeting

4.17 Role of Internal Audit

According to the Fraud Prevention Plan, the role of Internal Audit should be communicated to all supervisors and managers on a regular basis in order to enhance their understanding thereof and of internal control. This is done

through presentations to governance structures and the Lift News. **Figure 21** below shows that 74% of employees understands the role of Internal Audit. It is disconcerting to note that 3 employees at SL 13-16 (2 in the Branch: IAC) disagreed with the statement, especially given the role of the branch in anti-corruption.

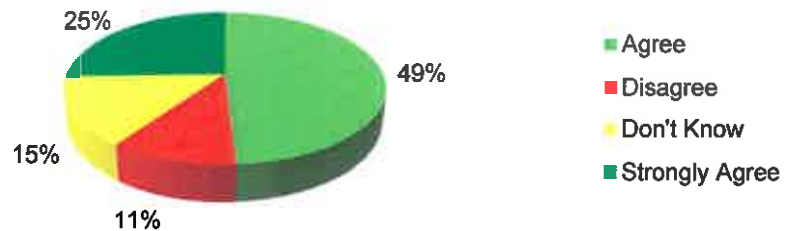


Figure 21: I know what the Internal Auditors are doing here

4.18 Effectiveness of awareness raising mechanisms

Awareness raising within the PSC in respect of issues identified in the Fraud Prevention Plan and Risk Management Strategy is mostly conducted by means of the PSC Lift News. 83% of employees agreed with the statement that the PSC Lift News provides helpful information on ethical issues and fraud prevention.

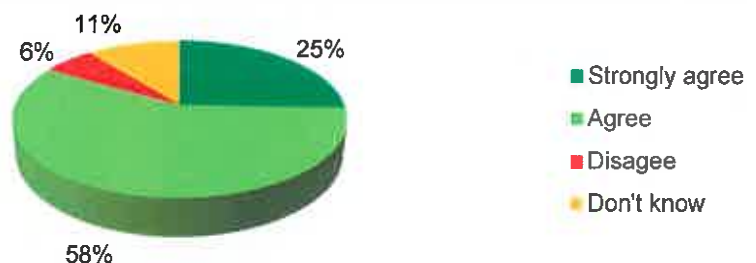


Figure 22: The PSC Lift News provides helpful information on ethical issues and fraud prevention

5. Comments by employees

The comments provided by respondents mostly covered the following areas:

- Lack of respect of individuals in the workplace, especially from managers.
- The environment is hostile and essentially unhealthy at times.
- Need for sharing information on the Ethics Officers, Ethics Champions, Members of the Ethics Committee in order to engage them on ethical dilemmas/solutions in the organisation.
- The relevance and impact of the survey was questioned, as visible action is not taken when employees blow the whistle.
- Target dates and work load are in some instances unreasonable.
- Code of Conduct, new regulations and Grievance Rules is not discussed at Provincial Offices.
- Insufficient room for innovation and creativity.

6. Concluding remarks and recommendations

It is encouraging that more employees participated in the survey. However, it remains disconcerting that the Branch: Corporate Services had such a low participation level given its exposure to ethics risks.

The table below highlights the ethics risk emanating from the Survey, the proposed management action as well as the Risk Owner:

Risk	Proposed management action	Risk Owner
Insufficient exposure to the importance of honesty and ethics in the work in relation to employees at SL 1-8	Workshop with all employees on SL 1-8 on the importance of honesty and ethics in the work	D: HRMD
Senior managers feels pressured to compromise ethical standards	Awareness raising on the Whistleblowing Guidelines	DG and DDGs
Inadequate reporting on RWOPS by employees at SL 1-8	<ul style="list-style-type: none"> Awareness raising through the Fraud Prevention Implementation Plan Workshop with all employees on SL 1-8 on RWOPS 	CD: PSCS D: HRMD
Lack of self-responsibility in relation to employees on SL9-12	Lift News promoting self-responsibility	CD: PSCS
Inadequate understanding of the purpose of performance rewards	Training on the performance management and development system	D: HRMD
Poor opinion that the Office is run with honesty, integrity and respect for others	Report the risk to MANCO to create awareness and request managers to lead by example	D: PSCS
Risk management does not form part of the CS Branch meetings	The Branch meetings of the Branch: Corporate Services should have Risk Management as a standing item on the Agenda	DDG:CS

The Risk Owners should provide progress on the management action at the next meeting of the Fraud Prevention and Risk Management Committee.