



Custodian of Good Governance

OFFICE OF THE PUBLIC SERVICE COMMISSION
REPUBLIC OF SOUTH AFRICA

MEMORANDUM

TO:	THE DIRECTOR-GENERAL
THROUGH:	THE DDG: CS <i>Rano 13/12/2017</i>
FROM:	THE CD: PSES <i>12/12/2017</i>
SUBJECT:	2017 ETHICS AND CORRUPTION RISK SURVEY REPORT

1. The purpose of this memorandum is to –
 - 1.1 inform the Director-General of the outcome of the Ethics and Corruption Risk Survey conducted in the Office; and
 - 1.2 obtain the Director-General's approval for the draft Report on the Ethics and Corruption risk: 2017 and the publication of the Report on the Intranet.
2. The attached report reflects an analysis of the responses and identifies risks for further corrective action. The main findings of the report will also be presented to the MANCO and Plenary through the quarterly performance presentation to raise awareness of the risks.
3. It is proposed that the Director-General –
 - 3.1 takes cognizance of the outcome of the Ethics and Corruption Risk Survey; and
 - 3.2 approves the draft Report on Report on the Ethics and Corruption Risk Survey: 2017 and that it be placed on the Intranet.

[Signature]
DR D MAMPHISWANA
DIRECTOR-GENERAL

Date: *15/12/17*



ETHICS AND CORRUPTION RISK SURVEY REPORT

**2017/18 financial
year**

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1. Purpose

In compliance with the Public Finance Management Act (PFMA), 1999, the Treasury Regulations, and the Public Service Regulations (PSR), 2016 the Office of the Public Service Commission (OPSC) has developed an Anti-Corruption Fraud Prevention Plan. The Plan was adopted by the Audit Committee and Accounting Officer in March 2017.

PSR Chapter 2, Part 1, paragraph 22 provides that a head of department shall, amongst others analyse ethics and corruption risks as part of the department's system of risk management. In addition, the Minimum Anti-Corruption Capacity Requirements requires the Office to conduct an ethics and corruption risk survey.

In line with these requirements, the Office conducted an Ethics and Corruption Risk survey. 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 surveys will be used in the analysis for triangular purposes.

2. The questionnaire

The survey questionnaire consisted of 38 questions. It was placed on the PSC Intranet for electronic completion by 24 October 2017. On the same day 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. The purpose of the survey is also not to identify perpetrators, but to identify ethics and corruption risks.

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

3. Respondent profile

A total of 119 (47%) out of 254 employees participated in the survey. This represents an increase of 10% in responses compared to the 2016 survey. **Figure 1** reflects the percentage of participation per Salary Level (SL).

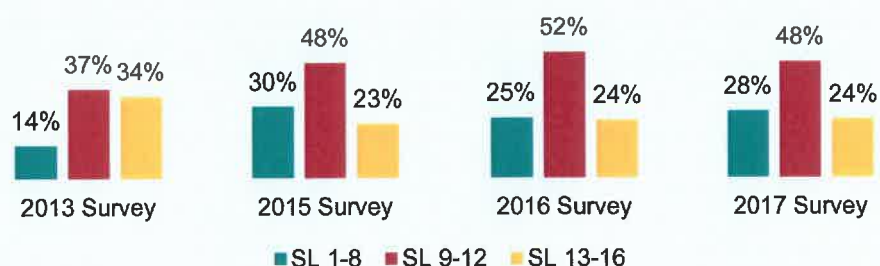


Figure 1: Percentage participation per SL

Figure 2 shows the percentage of employees that participated in the survey per branch (including provincial offices). The rate of participation in the Branch: Corporate Services have increased from 20% in 2016 to 48% in 2017.

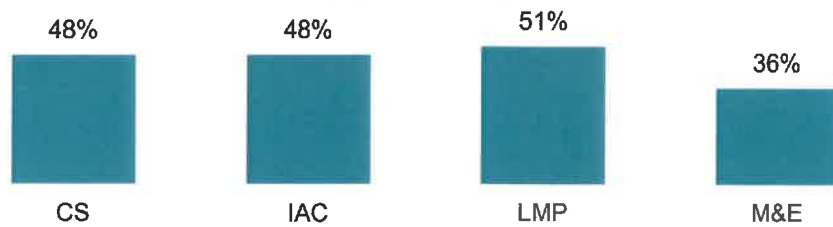


Figure 2: Percentage of employee participation in survey

4. Analysis

4.1 Awareness

Paragraph 6 of the Anti-Corruption and Fraud Prevention Plan of the Office provides that for the plan to be successful, the OPSC will maintain an effective and sustained awareness campaign. The approved awareness campaign for the 2017/2018 financial year involves the sharing of information through the Lift News on the following topical issues:

- a) Information Security
- b) Code of Conduct/Ethics
- c) Performing Remunerative Work outside the Public Service
- d) Information Security
- e) IT Security
- f) Whistleblowing
- g) Risk Management awareness
- h) Internal Control awareness
- i) Grievance and Discipline management

Awareness was also raised regarding Whistle-blowing and Fraud Prevention through e-mails to all staff and Code of Conduct Workshops conducted with all staff.

Figure 3 on the next page shows that the awareness campaign has been successful, as those employees who participated in the survey responded positively to questions in relation to awareness.

In respect of awareness of the Code of Conduct for the Public Service, it is disconcerting to note that 2 (2%) employees indicated that they disagreed with the statement. This included one senior manager (salary levels 13-16) in the Branch: Corporate Services.



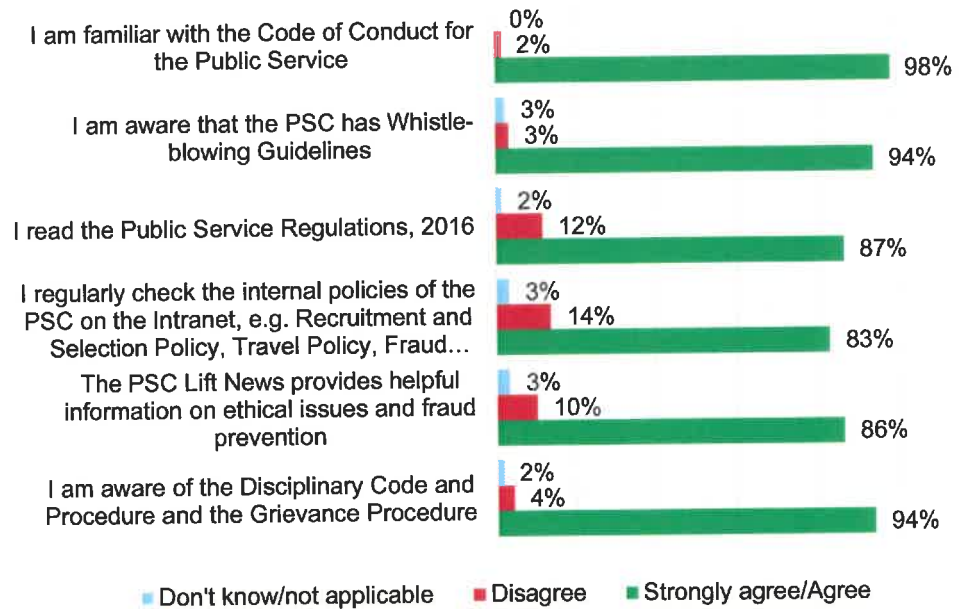


Figure 3: Ethics and Corruption Awareness in the OPSC

4.2 Conflict of interest

Section 30 (1) of the Public Service Act, 1994, provides 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.

As at 30 September 2017, 23 employees had applied to perform RWOPS. The survey reflects that 6% of employees are aware of a colleague who performs remunerated work after hours and who have not obtained permission to perform such work. This is in contravention of the Public Service Act and disciplinary action may be taken against such an employee.

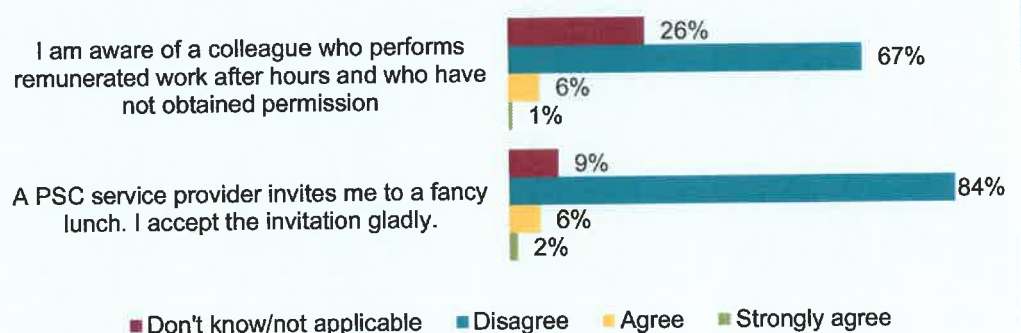


Figure 4: Questions relating to conflict of interest

The Code of Conduct, Chapter 2, Part 1 of the Public Service Regulations, in paragraph 13 (h), provides that an employee may not receive or accept any gift from any person in the course and scope of his or her employment, other than from a family member, to the cumulative value of R350 per year, unless prior approval is obtained from the relevant executive authority.

In order to distinguish a corrupt act from a normal business practice such as the giving of marketing material or paying for a lunch, it should be remembered that all elements of the definition of corruption should be present. In other words:

A person or group of persons (even a company) should have offered or given a benefit which is not legally due. A person or group of persons (even a company) should have accepted the benefit. The benefit should have been given with the intention of unduly influencing the receiver to do or not to do something that will amount to the unlawful or irregular exercise of a duty. Both the giver and receiver of the benefit are equally guilty of corruption.

In instances when a business lunch is meant purely to introduce parties or to discuss a business matter, without any criminal intent to influence the receiving party unduly, it is not a case of corruption. The same applies to common business practices such as the giving of Christmas gifts or marketing material. Always consider the value of a benefit – it should be moderate and given without any hint or expectation of a counter-benefit or favour. A gift that is nominal in value will most probably not be perceived as a “corrupt benefit”. It is worrying that 6% of employees indicated that they will accept an invitation by a service provider to a fancy lunch. It is noted that 86% of these employees are employed at salary levels 2 – 8.

4.3 Ethical leadership and the role of management

Management plays an essential role in inculcating workplace ethics in employees. They need to set an example for their subordinates and act as a source of inspiration for the employees.

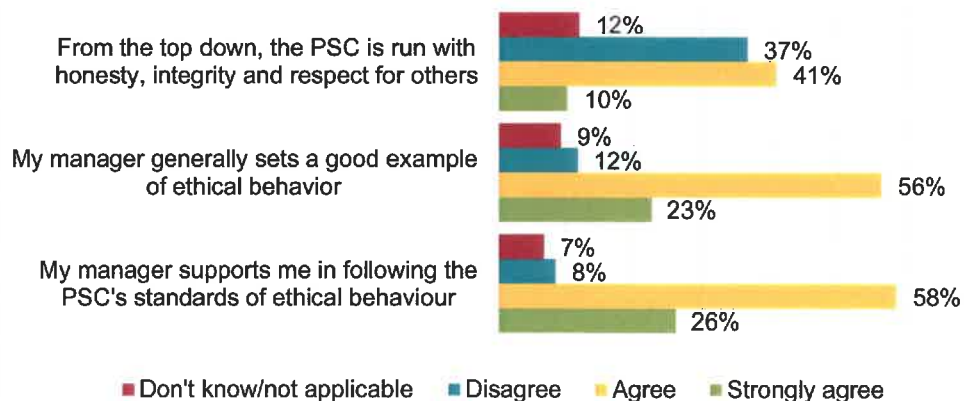


Figure 5: Ethical leadership

Figure 5 shows that-

- a) only 51% of employees that participated in the survey were of the view that from the top down, the PSC is run with honesty, integrity and respect for others. The Branch: Corporate Services had the highest percentage of employees (35%) who disagreed with the statement, followed by the Branch: LMP (28%) and Branch: IAC (26%) (the line function branches includes the provincial offices);

- b) 79% of employees are of the view that their manager sets a good example of ethical behavior. 50% of employees who were of the view that their managers do not set a good example are from the Branch: CS; and
- c) 84% of employees agreed with the statement that their managers supports them in following the PSC's standards of ethical behavior.

The OPSC has, as one of its Imvuselelo Pillars, culture change. Managers play an important part in improving the organisation's culture and employee's values to higher levels of ethical behavior. By demonstrating ethical leadership managers promote a high level of integrity that motivates a sense of trustworthiness, and encourages subordinates to accept and follow our vision.

Figure 6 below, shows that 22% of employees disagreed with the statement that their managers explain the importance of honesty and ethics in the work we do. It is disconcerting that 38% of these employees are in the Branch: IAC, and includes 2 SMS members as honesty and ethics forms the cornerstone of the work performed in the Branch.

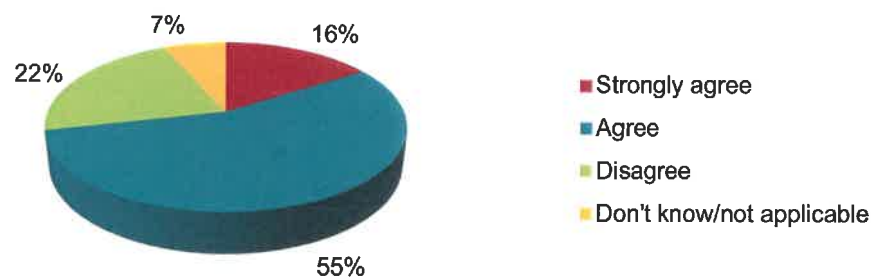


Figure 6: Role of management

4.4 Realisation of potential and targets

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

- a) I have a responsibility to meet target dates set by my manager
- b) I feel that I deserve a merit award for doing the work expected of me

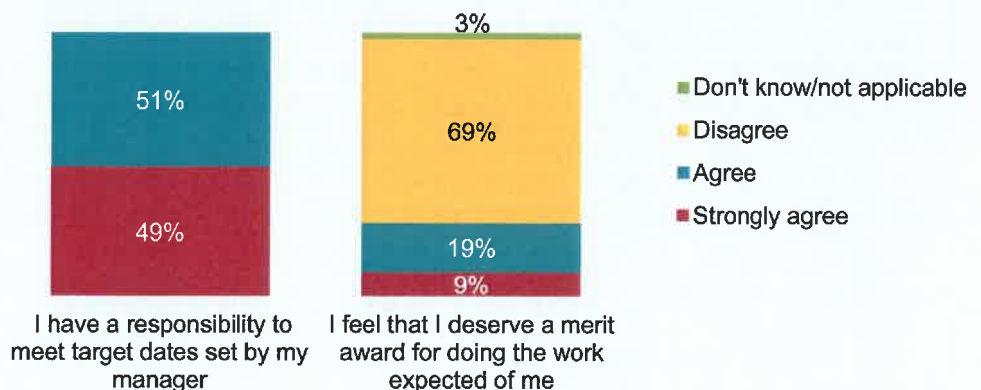


Figure 7: Realisation of potential and targets

Figure 7 provides an analysis of the responses to the two statements and shows that 100% of employees agreed with the statement that they have a responsibility to meet target dates set by their managers. It is disconcerting to note that 28% of employees strongly agreed/ agreed with the statement that they deserve a merit award for doing the work expected of them. Most of these employees are from the Branches: CS (42%) and IAC (33%).

4.5 Compliance with prevailing prescripts

OPSC employees, as public servants, are creatures of statute and should abide by the prevailing prescripts. **Figure 8** below reflect three statements put to employees regarding their views on compliance with prevailing prescripts. It is encouraging to note that in respect of all three questions, more than 90% of employees strongly agreed or agreed with the statements. In respect of the statement that it is very important to follow strictly the OPSC's rules and procedures it is disconcerting to note that of the 5% of employees who did not agree with the statement, 50% are at MMS level in the Branch: IAC and one SMS in Branch IAC disagreed with the statement that everyone is expected to stick by OPSC rules and procedures.

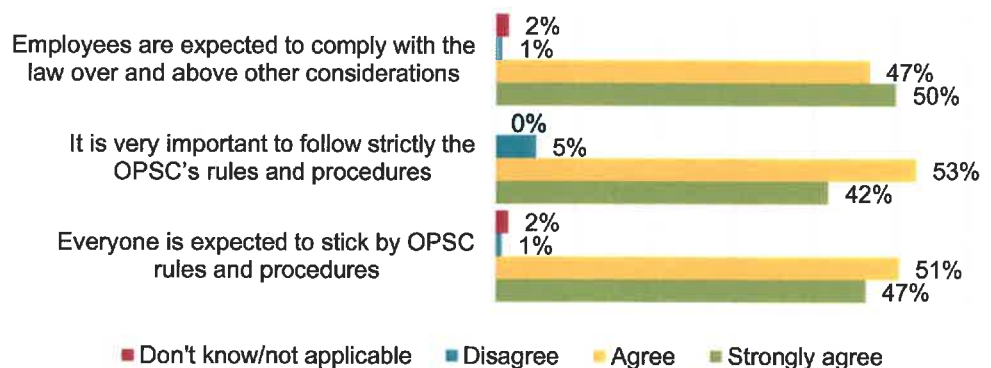


Figure 8: Compliance with prevailing prescripts

4.6 Compliance with the Code of Conduct

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 June to September 2017, 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.

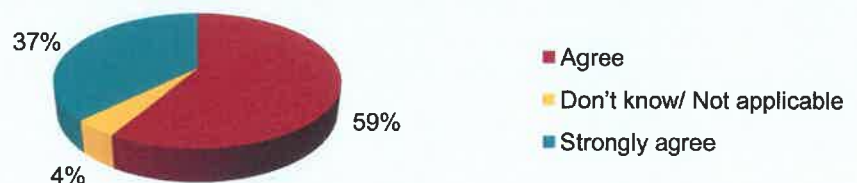


Figure 9: I act in accordance with the Code of Conduct

It is disconcerting to note that one employee at SMS level in the Branch: CS and two employees at MMS level in the Branch: IAC indicated that they "Don't know/ Not applicable", as one would have expected these employees to know that all employees should act in accordance with the Code of Conduct.

4.7 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. Two statements were presented to respondents to assess their perception of ethics in the workplace, namely:

- a) I like to listen to my chatty co-worker who knows about the "latest news" in the Office
- b) 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

The responses to statements (a) and (b) above are analysed in **Figure 10** below.

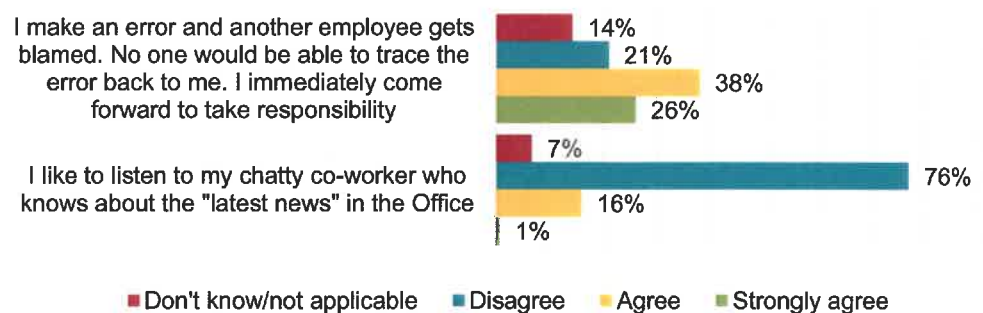


Figure 10: Ethics in the workplace

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 and contributions of others. Employees are responsible for dealing with their colleagues and supervisors honestly and with integrity. In 2016, 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 2017 to 64% and similar to 2016 the decline is again cause for concern.

4.8 Detection of unethical behaviour

The widespread economic slowdown has increased pressures to act unethically in most countries. Employees often act unethically in order to keep in good standing with their managers. **Figure 11** below reflects the responses of employees that participated in the survey to three statements regarding pressure to act unethically. The last two statements are very similar and the survey results correlates closely, showing that between 4% and 7% of employees felt pressure or were asked to act unethically. It is disconcerting that 8 employees who participated in the survey agreed with the statement that

"I have been asked to commit an improper, illegal, or unprofessional act(s), or a breach or circumvention of a policy, procedure, or practice", of which 5 are from the Branch: CS, 1 from the Branch: M&E, 1 from the Branch: LMP and 1 from the Western Cape Province.

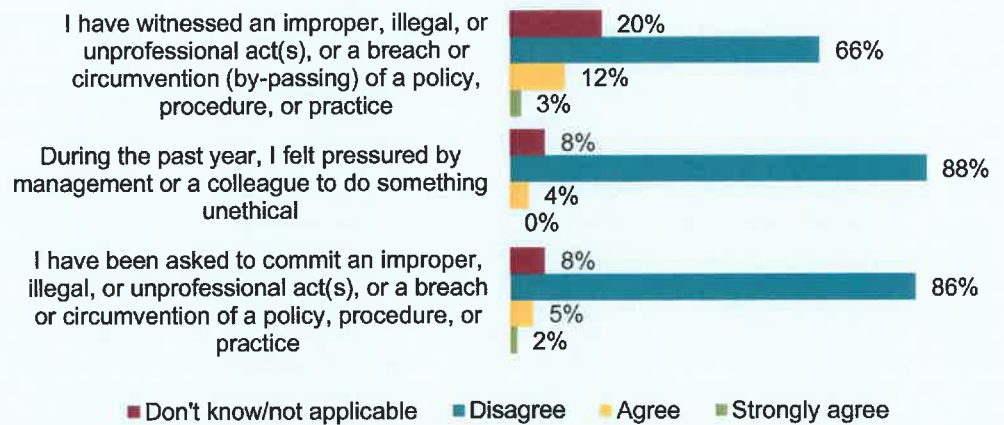


Figure 11: Pressure to act unethically

Figure 12 below shows a trend analysis in respect of the statement: "During the past year, I felt pressured by management or a colleague to do something unethical". It is noted that the percentage of employees who have felt pressured to do something unethical has declined consistently.

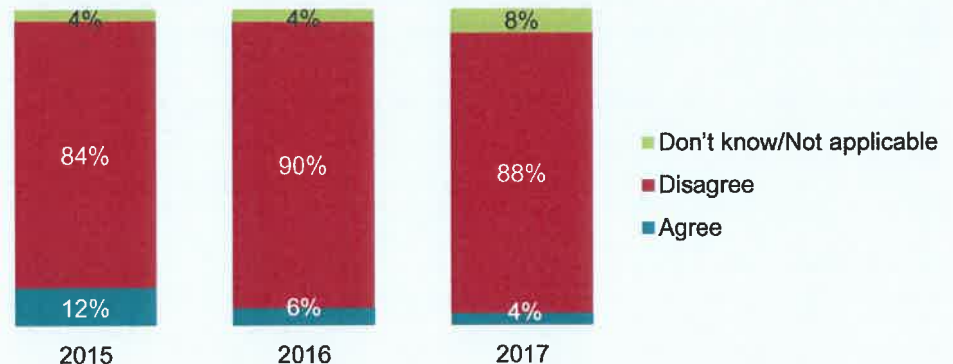


Figure 12: Trend analysis in respect of the question: "During the past year, I felt pressured by management or a colleague to do something unethical"

4.9 Consequence management

One of the key issues for managers is their daily struggle to hold employees accountable. Without consequence management, managers are not leading, and ultimately you encounter disorder and confusion. Managers also maintain credibility when they do what they say they will do.

The **Figure 13** shows that consequence management within the OPSC is not perceived to be adequate, as 16% of employees that participated in the survey disagreed with the statement that the PSC disciplines employees who violate ethical standards (mostly employees in Head Office in IAC) and 12% were of the view that a person stealing or committing fraud will get away with it.

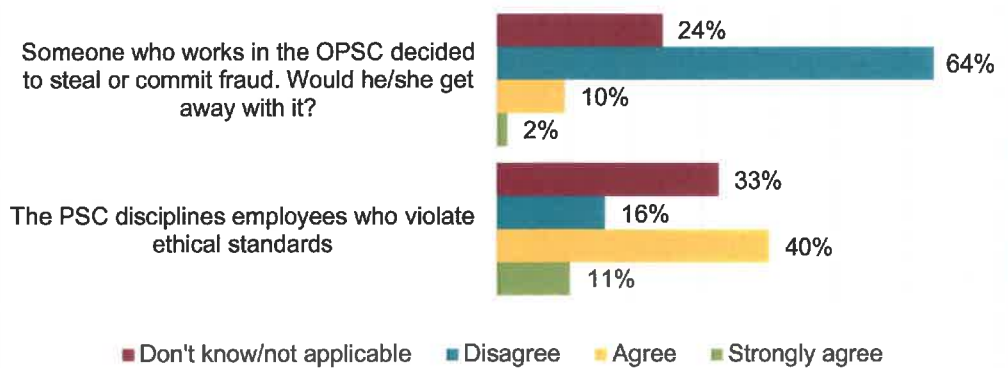


Figure 13: Consequence management

4.10 Awareness of ethical misconduct

The two statements mentioned in **Figure 14** below were presented to respondents to assess the prevalence or possibility of fraud and corruption. It is worrying that 24% of employees are aware of insufficient controls in the OPSC that can lead to fraud and/or corruption and a further 8% know of a colleague who might be stealing or taking unfair advantage of the OPSC. The latter include 2 SMS and 4 MMS members that should be aware of their duty to report incidences of unethical behavior.

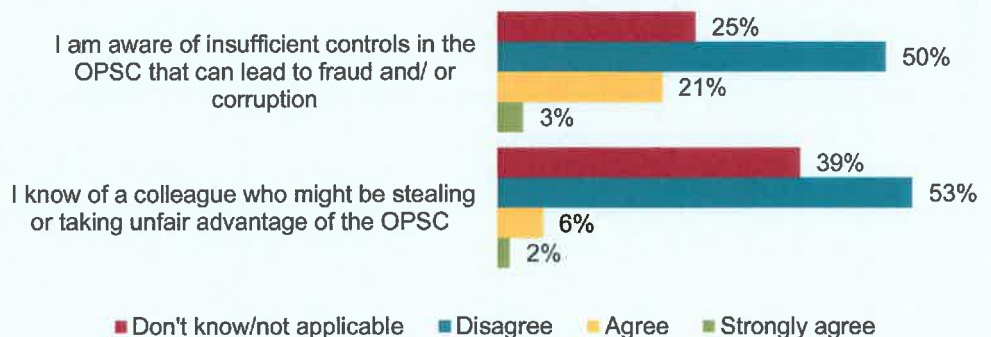


Figure 14: Possibility of fraud and corruption

4.11 Honesty and ethics in the workplace



It's not always this easy to spot

Don't be creative with your claims.

It may come back to "bite" you

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. The four statements in **Figure 15** on the next page were presented to respondents to measure honesty in the workplace.

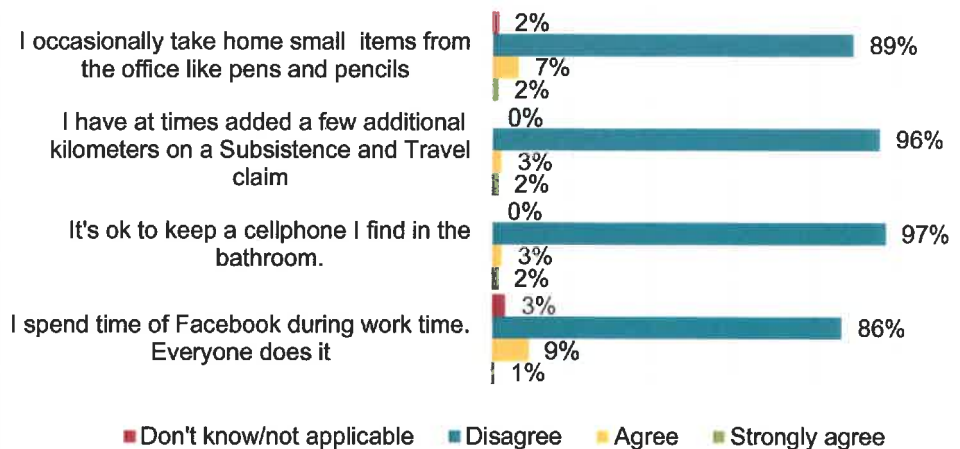


Figure 15: Statements regarding ethical conduct

An analysis of **Figure 15** 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. What is of great concern is that 2 SMS members agreed with the statement that it is ok to keep a cellphone they find in the bathroom.

Figure 16 below is a trend analysis of statements regarding keeping something belonging to another party. It shows that generally employees display honesty.

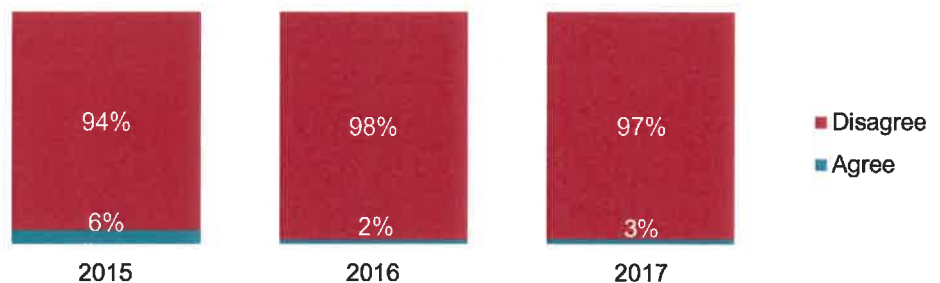


Figure 16: Trends analysis on statements regarding keeping something belonging to another party

4.12 Reporting

Paragraph 4 of the OPSC Fraud Policy and Response Plan provides that it is the responsibility of all employees to immediately report all matters relating to fraud to their respective managers. An employee may also report such matters in terms of the Whistleblowing Guidelines. These Guidelines, amongst others, provide for the protection of whistleblowers. As already indicated in **Figure 3** on page 3 above, 94% of employees are aware of the Whistleblowing Guidelines.

The two statements mentioned in **Figure 17** below were presented to respondents to assess whether they will report unethical behavior. It shows that 12% of employees that participated in the survey disagreed with the statement that they feel confident to raise unethical behavior of colleagues with management. Of the 12%, 3 are SMS members, 9 MMS and 2 on salary levels 2 – 8.

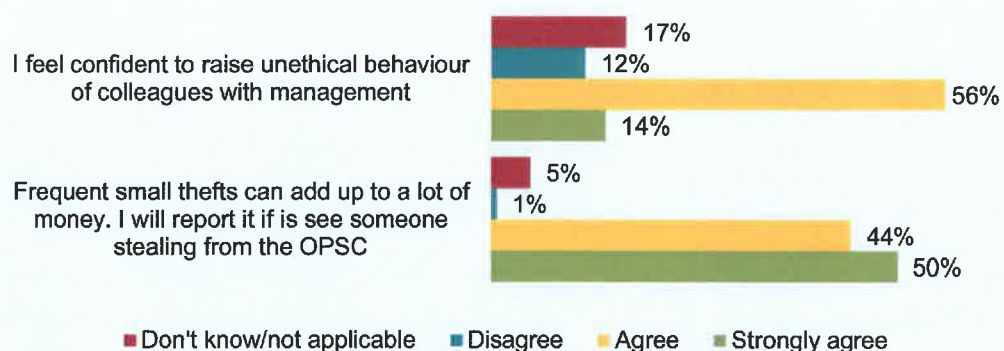


Figure 17: Reporting of unethical behaviour

5. Concluding remarks and recommendations

It is encouraging that there has been an increase in participation of employees participated in the survey over the past three years. This may be ascribed to the concerted effort by managers in the Branch: Corporate Services to encourage employees to participate.

Notwithstanding the fact that, over the years, the identity of employees that participated in the survey remained anonymous, some employees were of the view that the questions to assess the profile of participants may be used to identify and take action against employees. This is not the case and the purpose of the survey is purely to identify fraud and corruption 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
Inability of employees on SL 2-8 to identify conflicts of interests emanating from gifts or gratuities offered by service providers	Workshop with all employees on SL 2-8 on the acceptance of gifts.	D: HRMD
Challenges regarding the perception of employees regarding ethical leadership in the Branches: CS, LMP and IAC	Report the risk to MANCO to create awareness and request managers to lead by example	CD: PSCS
Insufficient sharing of information on the importance of honesty and ethics in the work we do	Report the risk to MANCO to create awareness and request managers to lead by example	CD: PSC
Inadequate understanding of the importance of following prevailing policy and the Code of Conduct in the Branch: IAC	Discuss the matter at the IAC Branch meeting	DDG: IAC

Employees feel pressured to compromise ethical standards	Report the risk to MANCO to create awareness and request managers to lead by example	CD: PSCS
Lack of consequence management	<ul style="list-style-type: none"> • Raising awareness at MANCO regarding consequence management • Lift News on consequence management 	CD: PSCS
Inadequate understanding of the purpose of performance rewards	Training on the revised performance management and development system	D: HRMD
Lack of confidence in Whistleblowing mechanisms	Promotion of Whistle-blowing Guidelines and expression of commitment to deal with complaints	CD: PSCS

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