



ETHICS AND INTEGRITY SERVICES

Western Cape Provincial Government Ethics and Integrity

FORENSIC

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Associate Director

AUDIT ▪ TAX ▪ ADVISORY

Outline of programme

- ◆ Demographics
- ◆ Attitude towards ethics
- ◆ Corruption Quiz
- ◆ Ethical dilemmas
- ◆ Integrity Thermometer
- ◆ The way forward

Demographics

- ◆ Please select the category within which you fall
 1. Municipal manager or HOD within PGWC
 2. Mayor or MEC
 3. Councillor or member of provincial legislature
 4. Manager within local government or PGWC
 5. Other

Demographics

- ◆ How long have you been involved in local and / or provincial government?
 1. Less than 1 year
 2. Between 1 and 5 years
 3. More than 5 years

Ethics

- ◆ **Choose the statement that best describes your attitude to ethics**
 1. **It should always be clear what the right thing is to do – in ethics there is no space for grey areas**
 2. **It is not always possible to know what the right thing is to do – ethics depends on the context and the consequences of your actions**
 3. **Good ethics depends on the character of the individual – if you are a virtuous person there is no need for rule books or to look at the consequences of your actions**

◆ **The following best describes my knowledge of the Code of Conduct for Public Servants**

- 1. It's my favourite document – I have a copy on my bedside table**
- 2. I have read it and would be able to describe the main points contained in the document**
- 3. I have heard about it but I have never seen a copy of received any training on the Code**
- 4. Never heard of it**



Corruption Quiz

Corruption quiz

- ◆ The name of the South African law aimed at fighting corruption is:
 1. Anti-Corruption Act
 2. Prevention and Combating of Corrupt Activities Act
 3. Moral Re-generation Act
 4. Prevention of Fraud and Corruption Act

Corruption Quiz

- ◆ The name of the South African law to protect whistle-blowers is:
 1. Whistle Blower Act
 2. Protection of Whistle Blowers Act
 3. Protected Disclosures Act
 4. Protection of Informants Act

Corruption Quiz

- ◆ In the 2006 Corruption Perceptions Index of Transparency International, the following country was listed as the least corrupt country in the world:
 1. Finland
 2. Germany
 3. Nigeria
 4. USA

Corruption Quiz

- ◆ Out of a 163 countries listed in the 2006 Transparency International Corruption Perceptions Index (#1 = least corrupt, #163 = most corrupt), where was South Africa placed?
 1. 7th
 2. 27th
 3. 51st
 4. 123rd

Corruption Quiz

- ◆ **The 2006 Transparency International Bribe Payers Index looks at the propensity of companies from 30 leading exporting countries to bribe abroad. The best score (10 = no propensity to bribe) was only 7.8, indicating that there are no real winners in this survey. The best score in this Index was achieved by:**
 - 1. Australia**
 - 2. Austria**
 - 3. South Africa**
 - 4. Switzerland**

Corruption Quiz

- ◆ In the same Bribe Payers Index, the worst performing country was:
 1. India
 2. South Africa
 3. Russia
 4. China

Corruption Quiz

- ◆ **Former Enron chief executive officer Jeffrey Skilling was recently convicted and sentenced for his role in the collapse of Enron. For how long has he been sentenced?**
- 1. 2 years**
 - 2. 12 years**
 - 3. 24 years**
 - 4. 48 years**

Corruption Quiz

- ◆ According to the Public Service Commission, the cost emanating from unauthorized, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct *reported* by departments and provinces from the 2004/2005 financial years was:
 1. R1.2 million
 2. R12 million
 3. R120 million
 4. R1.2 billion

Corruption Quiz

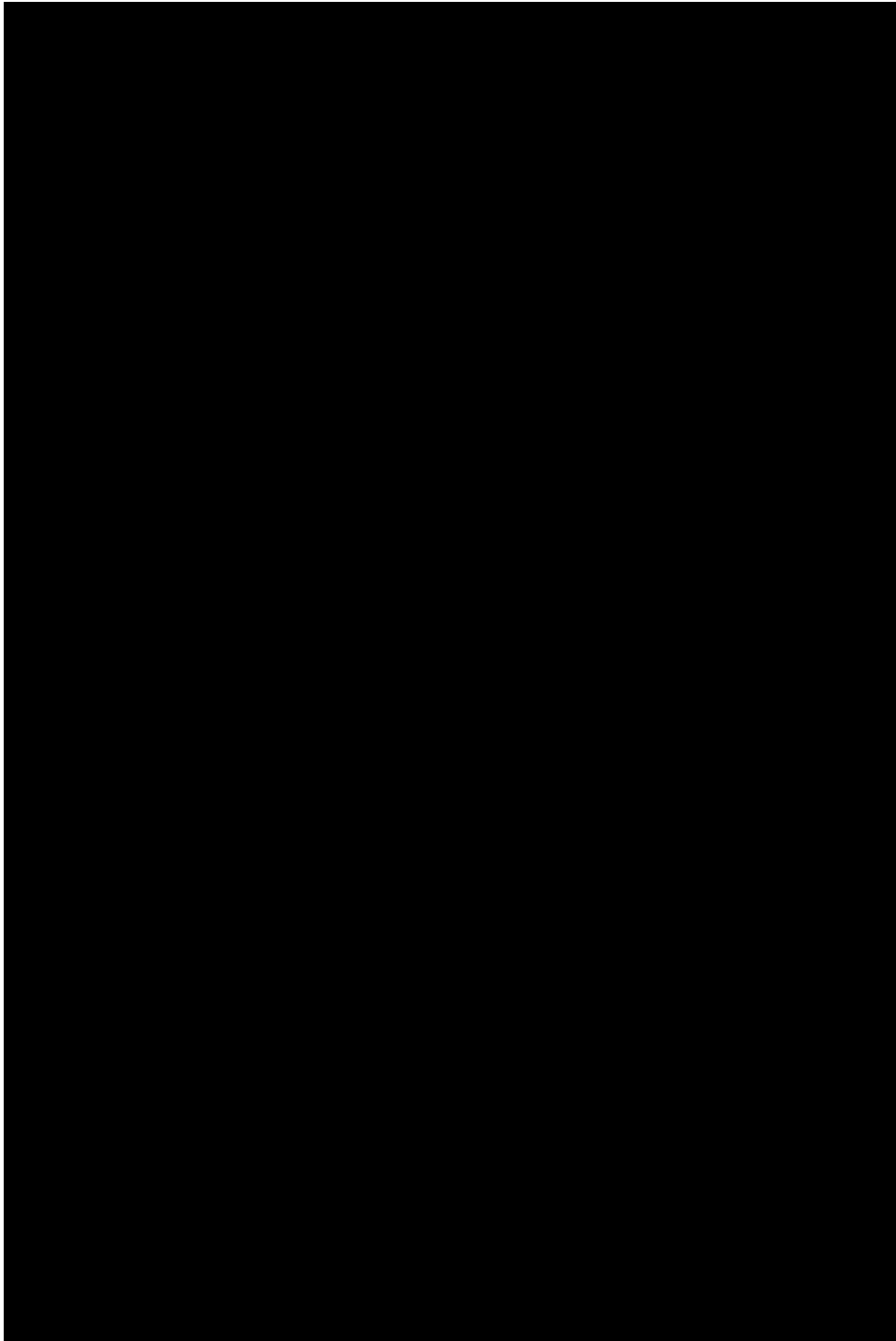
- ◆ According to the KPMG Forensic Africa Fraud and Misconduct Survey 2005, what percentage of the respondents from South Africa indicated that fraud is a major problem?
 1. 54%
 2. 64%
 3. 74%
 4. 84%

Corruption Quiz

- ◆ What is the number of the National Anti-Corruption Hotline?
 1. 0800 123 456
 2. 0800 701 701
 3. 0800 911 911
 4. 0800 FRAUD



Ethical Decision Making







Bribes

Facilitation Payments

Business Courtesies

Premeditated Murder

Killing in a Just War

Self defence



The Value of a Code

The need for a relevant and updated ethics policy

- ◆ Any employee who is in the habit of smoking Spanish cigars, getting shaved at a barber's shop, going to dances and other such places of amusement will surely give his employer reason to be suspicious of his integrity and alround honesty
 - ◆ Each employee must pay not less than one guinea per year to the Church, and attend Sunday school every Sunday
 - ◆ Men are given one evening a week for courting purposes, and two if they go to prayer meetings regularly
- ◆ *United Kingdom, 1854*

As officers and employees of _____ its subsidiaries, and its affiliated companies, we are responsible for conducting the business affairs of the companies in accordance with all applicable laws and in a moral and honest manner.

To be sure that we understand what is expected of us, _____ has adopted certain policies, with the approval of the Board of Directors, which are set forth in this booklet. I ask that you read them carefully and completely and that, as you do, you reflect on your past actions to make certain that you have complied with the policies. It is absolutely essential that you fully comply with these policies in the future. If you have any questions, talk them over with your supervisor, manager, or legal counsel.

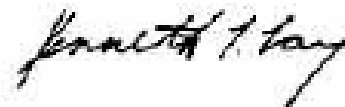
We want to be proud of _____ and to know that it enjoys a reputation for fairness and honesty and that it is respected. Gaining such respect is one aim of our advertising and public relations activities, but no matter how effective they may be, _____ reputation finally depends on its people, on you and me. Let's keep that reputation high.

As officers and employees of Enron Corp., its subsidiaries, and its affiliated companies, we are responsible for conducting the business affairs of the companies in accordance with all applicable laws and in a moral and honest manner.

To be sure that we understand what is expected of us, Enron has adopted certain policies, with the approval of the Board of Directors, which are set forth in this booklet. I ask that you read them carefully and completely and that, as you do, you reflect on your past actions to make certain that you have complied with the policies. It is absolutely essential that you fully comply with these policies in the future. If you have any questions, talk them over with your supervisor, manager, or Enron legal counsel.

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July 1, 2000



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DOCUMENTS | Guidelines | Code of Conduct for Public Servants

Code of Conduct for Public Servants

DEFINITION

In this document (Chapter 2 of the new Public Service Regulations, July 01 1999), any word or expression to which a meaning has been assigned in the Act, bears the meaning so assigned thereto, and "this Act" means the Public Service Act, 1994, and the regulations issued in terms thereof.

1. PURPOSE

In order 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 ('the Code') provided for in this Chapter.

The Code should act as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and help to ensure confidence in the Public Service.

2. INTRODUCTION

The need exists to provide guidelines to employees with regard to their relationship with the legislature, political and executive office-bearers, other employees and the public and to indicate the spirit in which employees should perform their duties, what should be done to avoid conflicts of interests and what is expected of them in terms of their personal conduct in public and private life.

Although the Code of Conduct was drafted to be as comprehensive as possible, it does not provide a detailed standard of conduct. Heads of department are, in terms of section 7(3)(b) of the Act, inter alia responsible for the efficient management and administration of their departments

Internet



Ethical Dilemmas

- ◆ **I am the mayor of a major town where we have just completed the construction of a pedestrian bridge across a very busy street. The day before the high profile opening of the bridge I receive an urgent message from one of the engineers who worked on the early design of the bridge. He claims to have information about a critical flaw in the design that could endanger the lives of the users of the bridge, and threatens to go to the press with this information if the launch goes ahead. We have already spent more than R1 million on the launch which will be lost if we cancel or postpone the event. What do I do?**
 - 1. I immediately cancel the opening ceremony, bear the R1 million loss and launch an immediate investigation into the safety of the bridge. I also inform the press about this development.**
 - 2. I proceed with the opening as planned, and commence an internal investigation. If he decides to go the press, I will deal with it as attempted blackmail.**
 - 3. I postpone the opening, bear the R1 million loss, and launch an internal investigation. At the same time, I set up a meeting with the engineer to see if I can convince him to assist the municipality with finding a solution, rather than going to the press.**
 - 4. I proceed with the opening as planned and set up a meeting with the engineer to make an offer of a secret financial settlement. This is probably his motivation in any event.**

- ◆ **I am the managing director of a construction company which employs 20 000 workers and is listed on the Johannesburg Stock Exchange. We have prepared a tender for a multi-million rand donor-funded project in a neighbouring country. One of our managers was asked to deliver the tender documents in person, but as a result of a flight delay he has arrived three hours after the deadline had expired. He has phoned me with the news that a government official has offered to accept the documentation if an unofficial payment of US\$ 1 000 is made to him. The official claims that this is standard practice in his department. We have already spent R 2 million on the preparation of the tender, and winning it will be critical to ensure the survival of the company. What do I do?**
 - 1. I authorise the payment of the US\$ 1 000. The interests of our shareholders and employees are more important.**
 - 2. I authorise the payment of the US\$ 1 000 and afterwards inform the donor and the official's superiors about the payment.**
 - 3. I ask the manager to submit the proposal to the official without making the payment, and follow that up with a letter to the donor and the official's superiors, explaining how the delay was caused and informing them of the official's demand.**
 - 4. I do not submit the tender documentation.**

- ◆ **As a manager I am aware of the strict IT policies of our local authority. However, I have some programmes installed on my laptop that aren't officially allowed. They are for private use only. My supervisor asks me to speak to the staff members that report to me and tell them to remove everything that is not in line with the policies, or face disciplinary action. What do I do?**
 - 1. I remove the programmes before I talk to my staff members.**
 - 2. I discuss the matter with my supervisor and suggest some programmes for private use can't do that much harm.**
 - 3. I talk to the staff members, but leave my computer as it is.**
 - 4. I confess to my supervisor that I've got some programmes installed as well and suggest that he should talk to the other staff members.**

- ◆ **I am attending a local government conference which takes place at a luxury hotel. During lunch on the last day and after everybody has checked out I overhear two councillors talking. One of them says she has taken a bath robe from her room and intends to take it home with her. The other councillor admits to having done the same. What do I do?**
 - 1. I confront them directly and ask them to return the robes.**
 - 2. I make sure they notice that I've overheard the conversation. It's up to them what they will do.**
 - 3. I report this to the hotel management.**
 - 4. I do nothing.**

- ◆ **I have discovered that one of my colleagues has stolen money from other employees. When I confront him, he immediately confesses and offers to pay back the money and resign from the government department if I don't report the issue. What do I do?**
 - 1. I ask the employees if they want me to report this to HR or anyone else within the department**
 - 2. I don't report him**
 - 3. I wait until he has paid back the money and has resigned and then report the matter after all**
 - 4. I report the issue to HR**

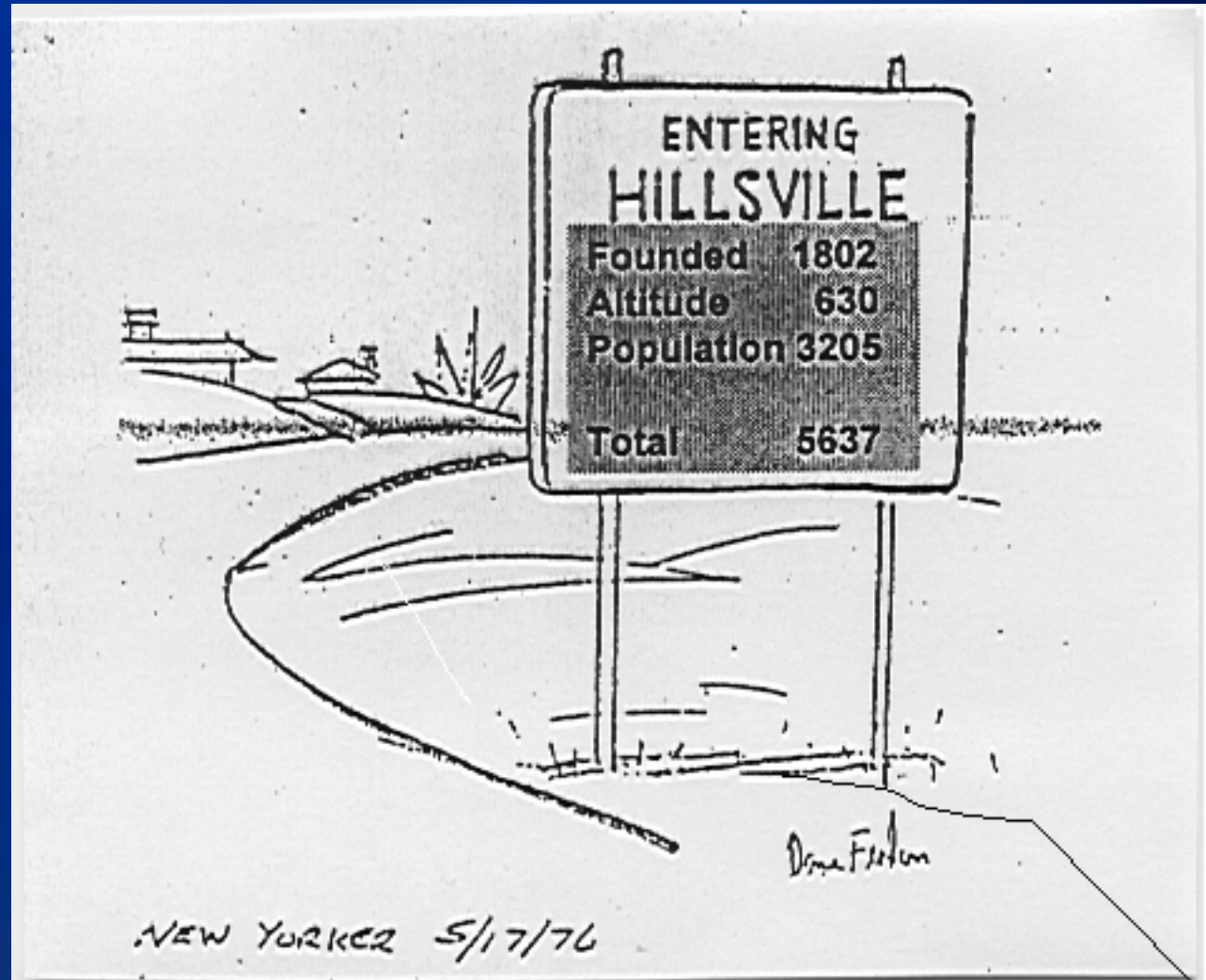
- ◆ **I am a newly elected councillor. I have received documentation on a seemingly unimportant issue, but I do not fully understand its underlying assumptions and implications. I am hesitant to ask questions. This may look like I am incompetent. What do I do?**
- ◆ **I ask a colleague if he/she can explain it to me.**
- ◆ **I do nothing.**
- ◆ **I politely ask the author what the documentation is about.**
- ◆ **I try to formulate a response as best as I can.**

- ◆ **One of my colleagues is the editor of a local church's youth club newsletter. I have noticed that she often uses the office's photo copier to make copies of the newsletter. What do I do?**
 - 1. I tell my colleague not to use the photo copier any more.**
 - 2. I do nothing.**
 - 3. I inform my colleague's manager about her behavior.**
 - 4. I gossip about this specific colleagues' behavior with the other colleagues.**



Taking an Ethical Measurement

Problems with measurement



Ethical Measurement

Please answer the following question honestly:

Are you ethical?

Yes



No



The Integrity Thermometer®: Web based survey

Integrity Thermometer Survey - Microsoft Internet Explorer provided by KPMG

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AUDIT • TAX • ADVISORY

I receive information and guidance to help me understand:	Never	Rarely	Sometimes	Often	Almost Always	Not Applicable
My organizations overall values and principles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organizations code of conduct	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specific policies, laws or regulations unique to my job function	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I rely on the following to learn about my organization's standards of conduct:	Never	Rarely	Sometimes	Often	Almost Always	Not Applicable
My supervisor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My peers/colleagues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The organizations code of conduct	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Policies and procedures manuals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internal newsletters or memos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internal training sessions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Remarks or speeches from senior management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resources on the organizations intranet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please fill in the form above and click the NEXT button to proceed.

Page 1 of 26 Select Language: English 4% PREVIOUS NEXT

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◆ **The communication and training I receive on my organization's standards of conduct are:**

- 1. Provided to me when I need it**
- 2. Clear and easy for me to understand**
- 3. Effective in guiding my decisions and behaviour at work**

◆ *Applicable Scale*

- 1. Strongly Disagree*
- 2. Disagree*
- 3. Unsure / no opinion*
- 4. Agree*
- 5. Strongly Agree*

◆ **I rely on the following to learn about my organization's standards of conduct:**

- 1. My peers / colleagues**
- 2. The Code of Conduct for Public Servants**
- 3. Internal policies and procedures manuals**
- 4. Internal newsletters or memos**
- 5. Internal training sessions**
- 6. Remarks or speeches from senior management**
- 7. Resources on the intranet**

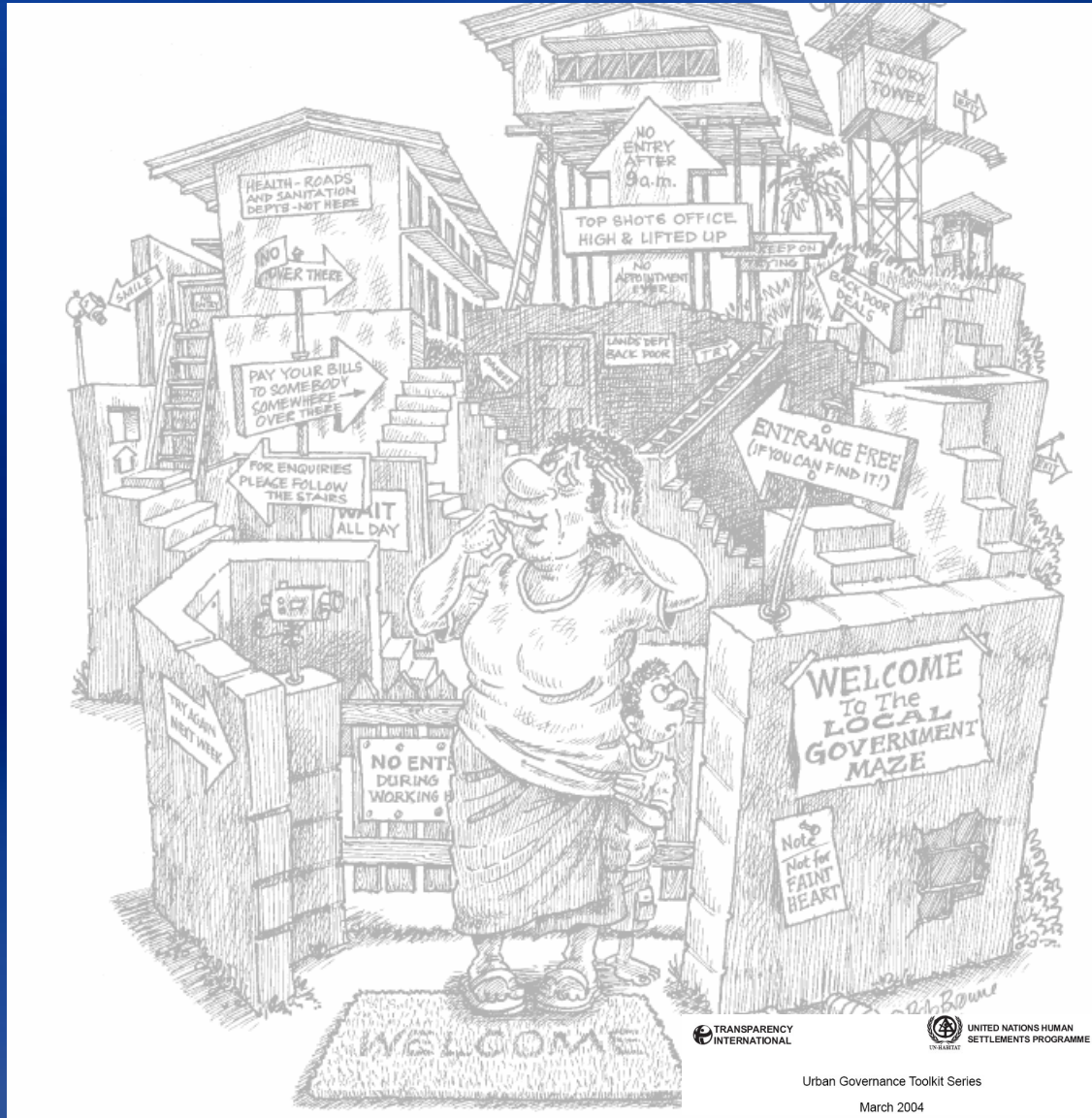
◆ *Applicable Scale*

- 1. Strongly Disagree*
- 2. Disagree*
- 3. Unsure / no opinion*
- 4. Agree*
- 5. Strongly Agree*

- ◆ **In the past 12 months, I have personally seen or have first-hand knowledge of employees or managers:**
 1. **Falsifying or improperly manipulating financial reports**
 2. **Falsifying expense claims**
 3. **Stealing or misappropriating assets**
 4. **Breaching computer, network or database controls**
 5. **Engaging in activities that pose a conflict of interest**
 6. **Wasting or mismanaging company resources**
 7. **Accepting inappropriate gifts or kickbacks from suppliers**
 8. **Paying suppliers without accurate invoices or records**
 9. **Violating environmental standards**
 10. **Making false or misleading claims to the public or media**

- ◆ *Applicable Scale*
 1. *Never*
 2. *Rarely*
 3. *Sometimes*
 4. *Often*
 5. *Almost Always*

The Way Forward



◆ **Over the next 12 months, I believe that corruption within the Western Cape is going to:**

- 1. Decrease dramatically**
- 2. Decrease slightly**
- 3. Stay the same**
- 4. Increase slightly**
- 5. Increase dramatically**

- ◆ **The most important activity to assist the fight against corruption is:**
 - 1. A clearly defined and easy to read code of conduct**
 - 2. A comprehensive ethics training programme**
 - 3. Effective internal controls**
 - 4. Effective and efficient investigation of allegations of fraud/corruption**
 - 5. A well functioning Hotline**

Ethics

- ◆ **Choose the statement that best describes your attitude to ethics**
 - 1. It should always be clear what the right thing is to do – in ethics there is no space for grey areas**
 - 2. It is not always possible to know what the right thing is to do – ethics depends on the context and the consequences of your actions**
 - 3. Good ethics depends on the character of the individual – if you are a virtuous person there is no need for rule books or to look at the consequences of your actions**



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