



Report on the Management of Conflicts of Interest through Financial Disclosures

Public Service Commission

MAY 2007

Vision

The Public Service Commission is an independent and impartial body created by the Constitution, 1996, to enhance excellence in governance within the Public Service by promoting a professional and ethical environment and adding value to a public administration that is accountable, equitable, efficient, effective, corruption-free and responsive to the needs of the people of South Africa.

Mission

The Public Service Commission aims to promote the constitutionally enshrined democratic principles and values in the public service by investigating, monitoring, evaluating, communicating and reporting on public administration. Through research processes, it will ensure the promotion of excellence in governance and the delivery of affordable and sustainable quality services.

Report on the Management of Conflicts of Interest through Financial Disclosures



Published in the Republic of South Africa by:

THE PUBLIC SERVICE COMMISSION (PSC)

Commission House
Cnr. Hamilton & Ziervogel Streets
Arcadia, 0083

Private Bag x121
Pretoria, 0001

Tel: (012) 352-1000
Fax: (012) 325-8382
Website: www.psc.gov.za

National Anti-Corruption Hotline Number:
0800 701 701 (Toll-Free)

Compiled by: Branch: Investigations and Human Resource Reviews
Distributed by: Directorate: Communication and Information Services

ISBN: 0-621-37021-5
RP: 20/2007



Contents

FOREWORD BY THE CHAIRPERSON	vi
ACRONYMS	vii
ACKNOWLEDGEMENTS	viii
EXECUTIVE SUMMARY	ix
I. CHAPTER 1: INTRODUCTION TO THE REPORT	I
1.1 BACKGROUND AND THE NEED FOR THE REPORT	2
1.2 OBJECTIVES OF THE REPORT	3
1.3 RESEARCH METHODOLOGY	3
1.4 LIMITATIONS OF THE REPORT	3
2. CHAPTER 2: FINANCIAL DISCLOSURE FRAMEWORKS: GENERAL ASSUMPTIONS	5
2.1 INTRODUCTION	6
2.2 REASONS FOR IMPLEMENTING FINANCIAL DISCLOSURE REGULATIONS	6
2.3 FINANCIAL DISCLOSURES: HOW IT HAPPENS	6
2.4 FINANCIAL DISCLOSURE FRAMEWORKS: A COMPARATIVE VIEW	7
2.5 IDENTIFYING POTENTIAL CONFLICTS OF INTEREST	8
2.6 SUMMARY	9
3. CHAPTER 3: THE SOUTH AFRICAN FINANCIAL DISCLOSURE FRAMEWORK	11
3.1 INTRODUCTION	12
3.2 IMPLEMENTATION PHASE	12
3.3 DISCLOSURE PROCESS	12
3.4 KINDS OF INTERESTS TO BE DISCLOSED	13
3.5 ACCESS TO THE DISCLOSURES	13
3.6 THE ROLE OF THE PUBLIC SERVICE COMMISSION	13
3.7 SUMMARY	14

4. CHAPTER 4: SUBMISSION OF FINANCIAL DISCLOSURE FORMS AND IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST	15
4.1 INTRODUCTION	16
4.2 SUBMISSION OF FINANCIAL DISCLOSURE FORMS	16
4.2.1 COMPLIANCE BY NATIONAL DEPARTMENTS	17
4.2.2 COMPLIANCE BY PROVINCES	19
4.3 CONCERNS REGARDING THE MANNER IN WHICH FINANCIAL DISCLOSURE FORMS ARE SUBMITTED	20
4.4 ASSESSMENT OF THE SAMPLE OF FINANCIAL DISCLOSURE FORMS	20
4.5 IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST EMANATING FROM THE AUDITOR-GENERAL'S REPORT ON THE DECLARATIONS OF INTEREST BY MINISTERS, DEPUTY MINISTERS AND GOVERNMENT EMPLOYEES	22
4.5.1 GENERAL RESULTS	22
4.5.2 NATIONAL DEPARTMENTAL RESULTS	23
4.5.3 PROVINCIAL DEPARTMENTAL RESULTS	24
4.5.4 APPEARANCE OF CONFLICTS OF INTEREST	24
4.6 SUMMARY	25
5. CHAPTER 5: STRENGTHENING THE FINANCIAL DISCLOSURE FRAMEWORK	27
5.1 INTRODUCTION	28
5.2 MEASURES TO IMPROVE THE FINANCIAL DISCLOSURE FRAMEWORK	28
5.2.1 MANAGERIAL RESPONSIBILITY OF THE FINANCIAL DISCLOSURE FRAMEWORK	28
5.2.2 IMPOSING OF PENALTIES	28
5.2.3 AN ELECTRONIC FINANCIAL DISCLOSURE SYSTEM	29
5.2.4 FINANCIAL DISCLOSURE FRAMEWORK LINKED TO PERFORMANCE AGREEMENTS	29
5.2.5 WORK OUTSIDE OF THE PUBLIC SERVICE	30
5.2.6 APPOINTMENT OF ETHICS OFFICERS	30
5.2.7 AMENDMENTS TO THE FINANCIAL DISCLOSURE FORM	31

6.	CONCLUSION	33
----	------------	----

7.	APPENDICES	35
----	------------	----

APPENDIX A:	PUBLIC SERVICE REGULATIONS CHAPTER 3	35
APPENDIX B:	CURRENT FINANCIAL DISCLOSURE FORM	41
APPENDIX C:	PROPOSED REVISED FINANCIAL DISCLOSURE FORM	47
APPENDIX D:	FINANCIAL DISCLOSURE FORMS RECEIVED AND OUTSTANDING: NATIONAL DEPARTMENTS	53
APPENDIX E:	FINANCIAL DISCLOSURE FORMS RECEIVED AND OUTSTANDING: PROVINCIAL DEPARTMENTS	65
APPENDIX F:	LIST OF REFERENCES	75

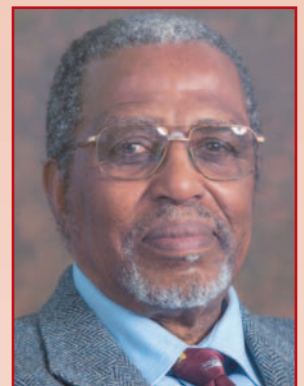
8 LIST OF TABLES

TABLE 1:	IMPLEMENTING FINANCIAL DISCLOSURES IN DIFFERENT COUNTRIES	7
TABLE 2:	GROWTH OF THE NUMBER OF SMS MEMBERS IN RELATION TO THE NUMBER OF DISCLOSURES RECEIVED	16
TABLE 3:	FINANCIAL DISCLOSURE FORMS RECEIVED PER PROVINCE.	19
TABLE 4:	REGISTRABLE INTEREST DECLARED BY SMS MEMBERS	21
TABLE 5:	IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST WITH REGARD TO SHARES AND DIRECTORSHIPS	21
TABLE 6:	IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST EMANATING FROM THE AUDITOR-GENERAL'S REPORT	22
TABLE 7:	SPECIFIC CATEGORIES OF POTENTIAL CONFLICTS OF INTEREST	23
TABLE 8:	PROVINCIAL DEPARTMENTS WHOSE SMS MEMBERS HAD THE MOST POTENTIAL CONFLICTS OF INTEREST	24
TABLE 9:	PROVINCIAL DEPARTMENTS WHOSE SMS MEMBERS HAD THE LEAST POTENTIAL CONFLICTS OF INTEREST	24

9. LIST OF FIGURES

FIGURE 1:	PERCENTAGE FINANCIAL DISCLOSURE FORMS RECEIVED FOR THE YEARS UNDER REVIEW: COUNTRY AVERAGES	17
FIGURE 2:	PERCENTAGE FINANCIAL DISCLOSURE FORMS RECEIVED FOR THE YEARS UNDER REVIEW: NATIONAL DEPARTMENTS	18
FIGURE 3:	THE THREE DEPARTMENTS WHOSE SMS MEMBERS POSE THE LOWEST AND THE HIGHEST POTENTIAL CONFLICTS OF INTEREST	23

Foreword



Senior managers in the Public Service are entrusted with public funds and by implication, public trust. As such they need to maintain a high standard of professional ethics. Their integrity and that of their departments must be beyond reproach. Therefore, senior managers should not allow their private interests to be in conflict with official decision making. It was with this in mind that the Financial Disclosure Framework for senior managers was introduced and regulated in the South African Public Service. The primary focus of the Financial Disclosure Framework is to manage and prevent real conflicts of interest from occurring.

In terms of the Financial Disclosure Framework all members of the Senior Management Service are required to disclose their financial interests to their Executing Authorities. Copies of these forms must be submitted to the Public Service Commission (PSC). However, the submission of the financial disclosure forms since the implementation of the system has not been satisfactory. Many senior managers have failed to disclose their financial interests. Without appropriate disclosures, potential conflicts of interest cannot be identified and managed.

It is incumbent on the PSC to ensure the effective implementation of the Financial Disclosure Framework. The PSC therefore deems it appropriate at this stage to reflect on its management of the Framework and how this can be improved. Through this report and the analysis conducted by the PSC, the extent to which conflicts of interest may be problematic for the Public Service is also addressed.

This report is therefore published in the hope that it will contribute towards the building of integrity amongst senior managers by promoting transparency and accountability in the disclosure of their financial interests and in so doing engender public trust.

A stylized, handwritten signature in black ink, which appears to read 'Sangweni'.

PROFESSOR STAN S SANGWENI
CHAIRPERSON: PUBLIC SERVICE COMMISSION

Acronyms

Acronyms/Abbreviations	Definition/Description
CIPRO	Companies and Intellectual Property Registration Office
DPSM	Directorate of Public Service Management
HOD	Head of Department
ICAC	Independent Commission Against Corruption
MPSA	Minister for the Public Service and Administration
OPSC	Office Public Service Commission
PSC	Public Service Commission
SMS	Senior Management Service
USA	United States of America



Acknowledgments

The Public Service Commission wishes to thank all the Executing Authorities who ensure that financial disclosure forms are completed and submitted by members of the Senior Management Service timeously. The submission of the financial disclosure forms is a major contribution towards building integrity in the Public Service.

Executive Summary

The financial disclosure framework (the Framework) was introduced in March 2000 and the requirement was that all Heads of Departments and those on post level 15 in national and provincial departments should disclose their financial interests. In May 2001 the Framework was extended to all members of the Senior Management Service (SMS). The reason for implementing the Framework was to prevent conflicts of interest.

In terms of the Framework the Public Service Commission (PSC) has an important role to play with respect to the scrutiny of the financial disclosure forms, to identify potential conflicts of interest and alerting Executing Authorities. This role could be performed optimally only if all disclosure forms are received by the Commission. However, since the inception of the Framework the submission of the financial disclosure forms by various members of the SMS has not been satisfactory. Every year many senior managers fail to disclose their financial interests. In the first financial year (1999/2000) the PSC received 61% of all disclosures. In the financial year 2004/2005 the PSC received 77% of the financial disclosures. For the last three financial years there was a steady increase in the submission of the financial disclosure forms which is an indication that more designated officials are willing to disclose their financial interests and therefore comply in this regard. For the PSC only 100% compliance will suffice.

Although the submission of forms by national departments has reached on some occasions an average of 80% or more, the submission of forms by provincial departments leave a lot to be desired with provinces only recording 17% and 26% in certain financial years.

The PSC therefore deemed it fitting, in this report, to reflect on its management of conflicts of interests for the period 2000-2005.

The report does not only provide a statistical analysis of all forms received, but also reflects on the identification of potential conflicts of interest. A random sample of 300 forms per financial year was selected and assessed to identify potential conflicts of interest. It was found that top management (Heads of Department and officials on post level 15) is the level where the highest potential conflicts of interest are likely to occur.

The Auditor-General, as requested by the PSC, reported on the declarations by SMS members who have directorships in companies and close corporations. The PSC assessed the financial disclosure forms of these officials with the view of identifying potential conflicts of interest. In this instance the PSC also found that top management presents the area where conflicts of interest are most likely to occur.

From the cases identified by the Auditor-General it was found that a total of 835 SMS members are involved in private companies that could pose a potential conflict of interest. This represents 53% of the total cases that were assessed. The nature of the potential conflicts of interest identified involves cases where there is a link between the private

companies and the official responsibilities of the SMS members, sharing companies and the number of companies that SMS members are involved in.

It was also found that in terms of provincial departments, the SMS members of the Western Cape and Eastern Cape Provinces identified by the Auditor-General may have the highest number of potential conflicts of interest. In terms of national departments it was found that the SMS members of Statistics South Africa with 92% and the department of Communications with 90% may have the highest number of potential conflicts of interest. The area of government administration where potential conflicts of interest are most likely to appear is in financial management (procurement, auditing and accounting, etc.).

It should be noted that the PSC had to analyze the financial disclosures with very little information to enable the informed identification of potential conflicts of interest. Critical information on job content are not provided in financial disclosures and as such the PSC had to make certain assumptions. This may have resulted in more incidences of potential conflicts of interest being identified than would have been the case had more information on job contents been available.

In order to strengthen the Framework the PSC proposes that:

- A comprehensive framework to identify and manage conflicts of interest be introduced. This should coincide with the PSC developing rules to structure the identification and management of potential conflicts of interests;
- That penalties and or fines be imposed for non-compliance with the Framework;
- That Heads of Department play a more active role in the management of the financial disclosures and the identification of potential conflicts of interest;
- That an electronic Financial Disclosure Framework be introduced;
- That Ethics Officers be appointed in all national and provincial departments; and
- That compliance with the Financial Disclosure Framework is linked to the Performance Agreements of SMS members.

Chapter One

Introduction to the Report

1.1 BACKGROUND AND THE NEED FOR THE REPORT

The PSC devotes a significant proportion of its time to the promotion of professional ethics in the Public Service. This is done in pursuance of its Constitutional mandate which provides that the PSC must promote the values and principles governing public administration. One of these values is to “promote and maintain a high standard of professional ethics in the Public Service”.¹ The PSC soon realized that in order to promote professional ethics, a key aspect that had to be addressed was the need to manage the conflicts that exist between the private interests of specifically senior managers as key decision makers, and their public responsibilities. The PSC was instrumental in the development of the Financial Disclosure Framework for senior managers in the Public Service.

The Minister for the Public Service and Administration (MPSA) during March 2000 approved, in terms of Section 41 (1) (d) of the Public Service Act, 1994 (as amended), the Financial Disclosure Framework for SMS Members which was incorporated as Chapter 3 of the Public Service Regulations. In terms of the Financial Disclosure Framework top managers at levels 15 and 16 were compelled to annually disclose their financial interests.

During May 2001 the MPSA extended the Financial Disclosure Framework to prescribe that all members of the Senior Management Service (SMS) in the Public Service disclose their financial interests.

The Financial Disclosure Framework is aimed at preventing conflicts of interest by requiring of senior managers to disclose their financial interests. Senior managers in the Public Service are entrusted with public funds and therefore they need to maintain the highest standard of professional ethics. Their integrity and that of their departments must be beyond question.

In terms of the Framework every SMS member should, not later than 30 April of each year, disclose to the relevant Executing Authority particulars of all her/his registrable interests in respect of the period 1 April of the previous year to 31 March of the year in question.

This report will reflect that the submission of financial disclosure forms by various members of the SMS in the Public Service has not been satisfactory. Since its inception many senior managers have failed to declare their financial interests. The non-compliance by senior managers impacts negatively on the management of conflicts of interest.

The need for the effective management of financial disclosures is evident when considering that the Auditor-General in his report on “The Declarations of Interests by Ministers, Deputy Ministers and Government Employees” identified 1581 SMS members who are directors or members of companies and close corporations. It is possible that the involvement of these senior managers in the companies as identified by the Auditor-General could pose potential conflicts of interest.

At the Second National Anti-Corruption Summit, held during March 2007, a call was also made “to review the Financial Disclosure Framework of public representatives and senior public managers and where necessary to ensure better management through greater compliance, timeous submission, improved procedures and the enforcement of penalties/sanctions in the absence of compliance.”

Given its regulatory responsibility to assess the financial disclosures of SMS members and advising Executing Authorities the PSC has therefore deemed it appropriate to reflect on its management of financial disclosures and to identify the extent to which potential conflicts of interest exist. In conducting this study the PSC also assessed the disclosures of officials identified by the Auditor-General.

¹ See Section 195 (1)(a) of the Constitution of the Republic of South Africa, 1996



1.2 OBJECTIVES OF THE REPORT

The PSC through this report seeks to address the following objectives:

- To provide a statistical overview of all the financial disclosures for the period 1999/2000 to 2004/2005 that was received within the Office of the Public Service Commission.
- To point out problems that were encountered throughout the period and to propose recommendations that would address these problems, thereby strengthening the Financial Disclosure Framework and ensuring that disclosure requirements are better complied with in the future.
- To pronounce on the evaluation of a sample of 300 disclosures per annum and identify whether potential conflicts of interest exist.
- To reflect and pronounce on the evaluation of disclosures emanating from the 1581 exception reports provided by the Auditor-General.

1.3 RESEARCH METHODOLOGY

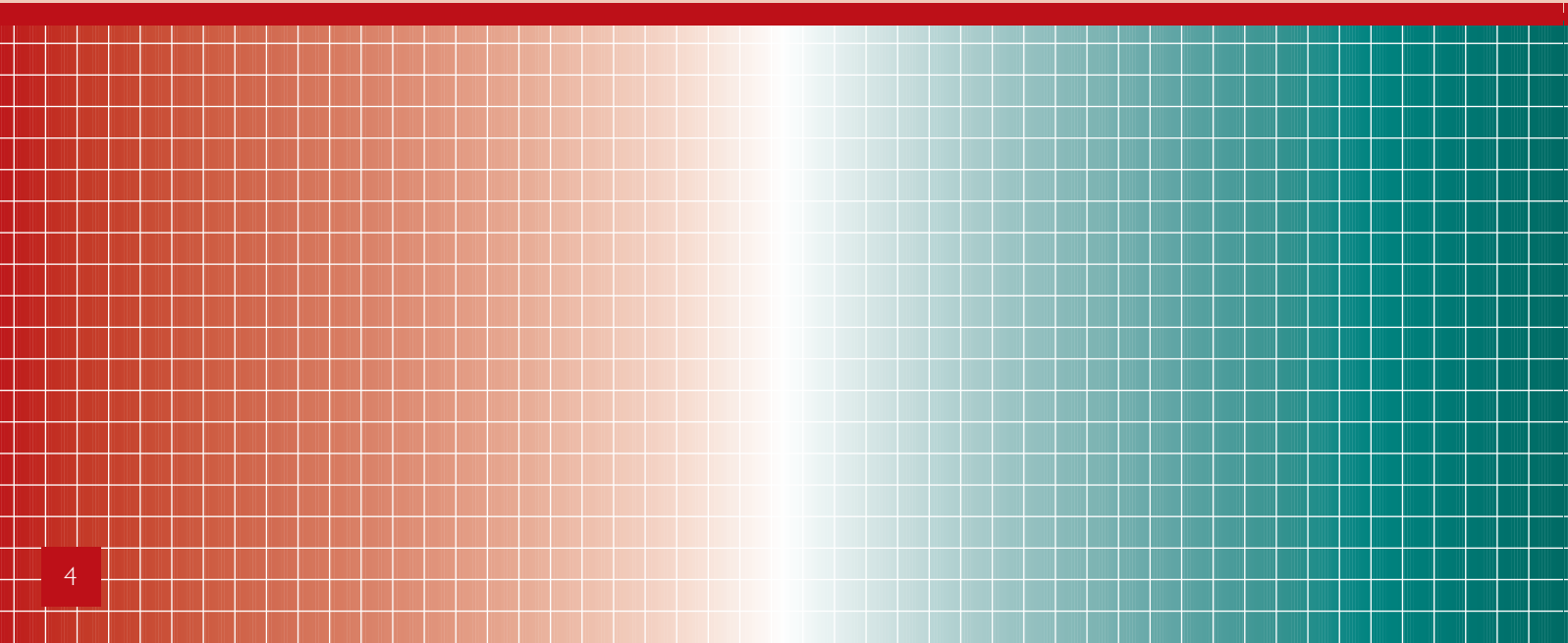
The extent to which the financial disclosure forms were submitted was assessed with a view to provide a statistical analysis of all disclosures that were received by the PSC for the financial years 1999/2000 to 2004/2005.

A random sample of three hundred (300) forms per financial year was further assessed to determine whether potential conflicts of interest exist. The sample covers departments at national and provincial level. The forms of those SMS members selected was assessed only once over the sample period. Different SMS members were therefore targeted for each financial year. For the financial year 1999/2000 only 142 disclosure forms were assessed as it was the final total received by the PSC. The reason for this is that only Heads of Department and officials on post level 15 were required to disclose their financial interests during the relevant period.

Finally, the financial disclosure forms of the 1581 SMS members as identified by the Auditor-General were assessed and evaluated in order to determine whether potential conflicts of interest exist.

1.4 LIMITATIONS OF THE REPORT

The Auditor-General, in his report on the “Declaration of Interest by Ministers, Deputy Ministers and Government Employees”, looked at the declarations of interests by SMS members for the 2003/2004 financial year. On the basis of the data contained in this report the PSC assessed the forms of all the senior managers as identified by the Auditor-General. Given that the PSC did not receive all the financial disclosures of the senior managers for the financial year 2003/2004 it was not possible to determine whether some of the senior managers identified by the Auditor-General did declare their directorships.



Chapter Two

Financial Disclosure Frameworks: General Assumptions

2.1 INTRODUCTION

This chapter presents the reasons why financial disclosure regulations are implemented, how it happens in practice and presents a short comparative overview of how it is implemented in different countries. It also points out what criteria have been used to identify potential conflicts of interest through the assessment of financial disclosures for purposes of this report.

2.2 REASONS FOR IMPLEMENTING FINANCIAL DISCLOSURE REGULATIONS

It is safe to assume that many people, including public officials have a wide variety of interests. Such interests could be complimentary to each other or they could be competing interests. The nature of such interests could be political, personal and economic issues. These interests, once in competition with the work environment of a person may pose a problem to any organization. For this reason Davies (2002)² is of the opinion that as much as the need to regulate and guide the behaviour of public officials by way of codes of conduct is recognized, the behaviour of senior public officials should equally be regulated by other forms of regulations. In this regard regulations on financial disclosures come to mind. Hence, the aim of having financial disclosure regulations is to balance the interests of an organization with that of its employees.

In addition to creating such a balancing act, an important point to understand is that senior public officials are entrusted with public funds. They need to maintain the highest standard of professional ethics. Their integrity and that of their departments must be beyond question. Bearing this in mind, it is essential to understand that regulations on financial disclosures are aimed at preventing incidences of conflicts of interest before they occur, thereby striving to promote a high degree of integrity, not only within an individual but also within government departments itself. In so doing it is hoped that the citizens' trust in public institutions would be strengthened.

Moreover, public servants are sometimes pressurized by private individuals or private institutions to act in an unethical way (offer a gift in exchange for a favour). There is therefore a need for government to protect its officials and by requiring financial disclosures to manage conflicts of interest it aims to achieve this.

2.3 FINANCIAL DISCLOSURES: HOW IT HAPPENS

Senior managers in the Public Service complete, on an annual basis, a form listing basic information about their assets, shares and other financial interests in private and public companies and other corporate entities recognized by law.³ Annual disclosures are primarily meant for officials who are in a position to potentially have significant conflicts of interest (e.g. senior public servants). The rationale behind annual disclosures is that it focuses the attention of officials at least once each year on potential conflicts of interest as a result of their financial interests. These records alert government as to an official's private interests or possible conflicts of interest.

Annual financial disclosures have been regulated in the South African Public Service since the year 2000. Currently, it is applicable to all members of the Senior Management Service (SMS) in the Public Service and forms the basis for identifying conflicts of interest.

² PSC Report on Implementing Financial Disclosure Requirements as adapted from Mark Davies: *Fostering Transparency and Preventing Corruption*: 2002

³ PSC Report on Implementing Financial Disclosure Requirements as adapted from Mark Davies: *Fostering Transparency and Preventing Corruption*: 2002

2.4 FINANCIAL DISCLOSURE FRAMEWORKS: A COMPARATIVE VIEW

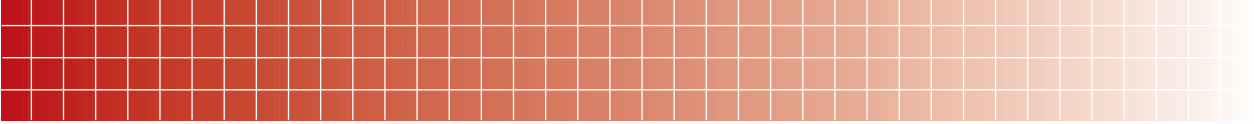
Financial disclosure frameworks, although a recent development in the South African Public Service, have been applied throughout the world. Countries such as the United States of America, Canada, Australia, Botswana and India have implemented financial disclosure regulations for a considerable period of time already. Canada and Australia, for example, have applied financial disclosure regulations since 1975. In a report entitled: "Implementing Financial Disclosure Requirements"⁴, the PSC made a comparative analysis of the Financial Disclosure Frameworks of various countries. This report points out the different mechanisms which different countries utilize to administer their Financial Disclosure Frameworks. **Table I** presents a brief analysis of how Financial Disclosure Frameworks are administered in four different countries.

TABLE I: IMPLEMENTING FINANCIAL DISCLOSURES IN DIFFERENT COUNTRIES.⁵

Name of Country	Botswana	United States of America	Australia	Philippines
Administrative Mechanisms				
Implementing Agency	Directorate of Public Service Management (DPSM) in conjunction with other Departments	Government Ethics office in conjunction with departments	Central Rules but each department implements	Office of the Ombudsman in conjunction with government departments.
Who files?	All civil servants	Employees in the Executive branch of government	Members of the Senior Executive Service	All civil servants
To whom	Via the officer's department to DPSM	To the Government Ethics office	Head of Department	Via the officer's dept to the office of Ombudsman
Monitoring Mechanisms	None	Review of completed forms and public access to records	No monitoring in the department of Transport	Rely on public access to records
Enforcement Mechanisms	None	Penalties, education and awareness programs	Training and Education programs	Penalties, awareness and education programmes.
Penalties	Reprimand, transfer, expulsion	Fines	Disciplinary Actions	Fines, expulsion and imprisonment
Public Access to filer's records	Restricted access	Filer's information public except the spousal and child information	Restricted Access to the records	Records accessible to public upon written request
Awareness programs	None	Videos, CD - ROM, Web-based	Training and education	Departmental orientation programs and training
Description of the form	One page form attached to written statement	3 pages requesting information of all relevant aspects	One page form attached to a written statement	Unknown

⁴ Report on "Implementing Financial Disclosure Requirements" published by the PSC in July 2004.

⁵ Table A was adapted from the report on Implementing Financial Disclosure Requirements, July 2004



It is evident from **Table I** that two countries, the United States of America and the Philippines use fines as penalties for non-compliance. In the other two countries disciplinary actions are taken if civil servants do not comply. It is not known to what extent, in terms of percentage, there is non-compliance but what is significant is that there are penalties to enforce compliance.

Table I also points out that in Botswana and the Philippines all civil servants have to declare their financial interests. The reason for this could be that these countries have smaller civil services. In the case of Botswana for example, there are approximately 3500 civil servants. This is less than the number of SMS members in the South African Public Service.

Moreover, according to the information provided in **Table I**, Australia is the only country of the four that decentralizes its Financial Disclosure Framework to individual departments. As in South Africa, Heads of Department are responsible for the effective management of their departments and therefore they must ensure that financial disclosure requirements are implemented timeously and effectively.

Finally, **Table I** points out those countries which implement awareness programmes to ensure that designated officials are equipped with the knowledge pertaining to financial disclosures.

Indicative of the comparative analysis is that penalties, awareness programmes and monitoring mechanisms are essential elements of ensuring maximum disclosures and thereby managing financial disclosure frameworks successfully.

2.5 IDENTIFYING POTENTIAL CONFLICTS OF INTEREST

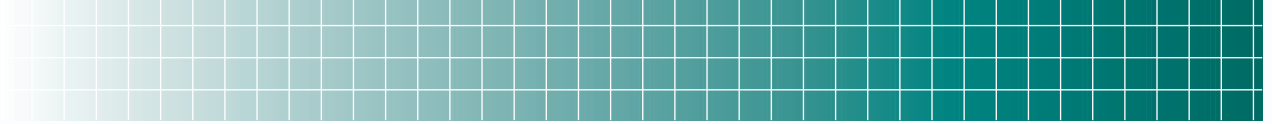
For the purpose of this investigation and subsequent report the PSC departed from the premise that a potential conflict of interest is where: "a public official is in a position where he/she may be influenced in the future by his/her private interests when doing his/her job".⁶ This definition is postulated by the Independent Commission Against Corruption (ICAC) and it presupposes the notion that an official is involved in private businesses, in the form of partnerships, shareholdings, board membership, investments and also government contracts. Being involved in remunerated or non-remunerated work outside of the Public Service form part of this categorization of potential conflicts of interest.

In order to identify potential conflicts of interest an analysis was made on the basis of the following three principles:

- The relationship or compatibility of the company with which an official is involved in, in relation to the work of the official or the work which the department is doing. For example, an official in the Department of Arts and Culture is involved in a company which is involved in a movie-making business.
- It was further presupposed that an official involved in a large number of companies could experience potential conflicts of interest. In this regard note was taken of Section 30 of the Public Service Act, 1994 (as amended) which stipulates that: "every officer and employee shall place the whole of his or her time at the disposal of the State."⁷ Should an official be involved in four or more companies, he or she would not, in all probability, have the time to devote his or her full attention to the requirements of the State in terms of his or her job.
- In some instances two or more officials from the same department are involved in the same company or companies. This is seen as a potential conflict of interest as such officials could make decisions that favour one another in for e.g. the awarding of a tender.

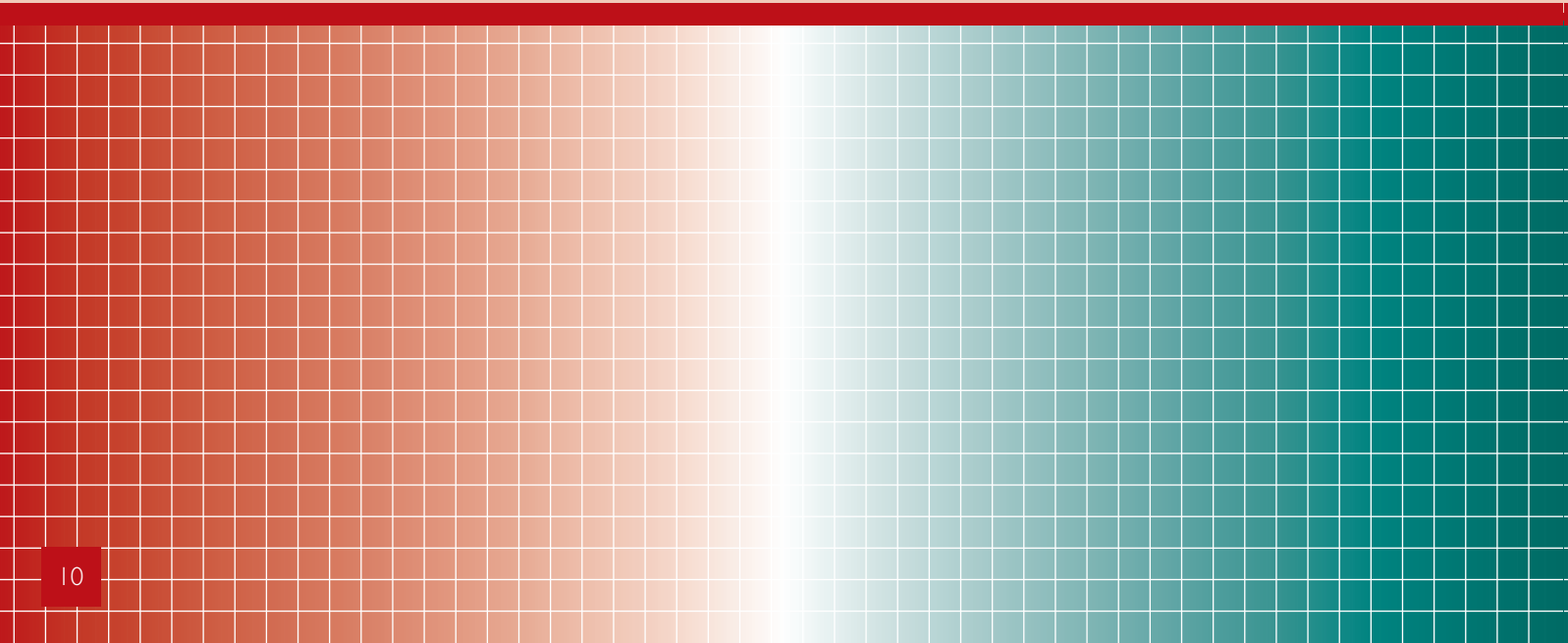
⁶ Definition from the Toolkit on Managing Conflicts of Interest of the Independent Commission Against Corruption: Australia.

⁷ Section 30 of the Public Service Act, 1994 (as amended)



2.6 SUMMARY

The disclosure of financial interests by public servants is a world-wide phenomenon and the management thereof must receive priority. It would appear that the primary reason for implementing financial disclosure regulations is to prevent conflicts of interest before it occurs and thereby promote integrity within government.



Chapter Three

The South African Financial Disclosure Framework

3.1 INTRODUCTION

In this chapter the Financial Disclosure Framework applicable to the South African Public Service will be discussed. The disclosure process, the nature of the disclosures and the SMS members who must disclose their financial interests will be discussed. From the onset it must be pointed out that the information as disclosed by designated officials is confidential and therefore only certain persons have access to the financial disclosure forms. The PSC has a vital role to play regarding the assessment of the disclosures and the identification of potential conflicts of interest.

3.2 IMPLEMENTATION PHASE

As indicated in Chapter 1, the Minister for the Public Service and Administration (MPSA) during March 2000 approved, in terms of Section 41(1) (d) of the Public Service Act, 1994 (as amended), a new Chapter 3 of the Public Service Regulations compelling top managers to disclose their financial interests. The introduction of this amendment implied that incumbents of posts mentioned in the second column of Schedule 1, 2 or 3 to the Public Service Act, 1994 (as amended) (Heads of Department) were required to declare their financial interests, as well as

- persons occupying posts on SMS grade C (grade 15) in a national department, organisational component, provincial administration or provincial department; and
- any other person approved or instructed by a relevant treasury to be the accounting officer of a national department, organizational component, provincial administration or provincial department.

During May 2001 the MPSA further extended the financial disclosure framework to prescribe that all members of the Senior Management Service (SMS) disclose their financial interests. This amendment was published in Government Gazette number 22308 of 25 May 2001 and has been incorporated in Chapter 3 of the Public Service Regulations.⁸

3.3 DISCLOSURE PROCESS

In terms of the Public Service Regulations⁹ every SMS member must, not later than 30 April of each year, disclose to the relevant Executing Authority, particulars of all her or his registrable interests in respect of the period 1 April of the previous year to 31 March of a year in question (i.e. the previous financial year).

Furthermore, the Public Service Regulations¹⁰ stipulates that any person who assumes duty as a designated employee after 1 April in a year should make such disclosure within 30 days after assumption of duty in respect of the period of 12 months preceding her or his assumption of duty.

Executing Authorities must submit a copy of the financial disclosure form to the PSC by 31 May of each year. A copy of the financial disclosure form of a person who has been appointed after 30 April in a year must be submitted within 30 days after it has been received by the Executing Authority.¹¹

⁸ The Financial Disclosure Framework is incorporated as Chapter 3 of the Public Service Regulations.

⁹ Section C.1 of Chapter 3.

¹⁰ Section C.2 of Chapter 3.

¹¹ Section C.4 of Chapter 3 of the Public Service Regulations).

3.4 KINDS OF INTERESTS TO BE DISCLOSED

In terms of the Public Service Regulations¹² the following kinds of interests are registrable interests and must be disclosed by a SMS member:

- Shares and other financial interests in private or public companies and other corporate entities recognized by law;
- directorships and partnerships;
- remunerated work outside of the public service;
- consultancies and retainerships;
- sponsorships;
- gifts and hospitality from a source other than a family member; and
- ownership and other interests in land and property, whether inside or outside the Republic of South Africa.

For full details regarding the disclosure of each of the above-mentioned items see Appendix A of this report.

3.5 ACCESS TO THE DISCLOSURES

Some countries, for example the United States of America, the Philippines and Botswana allow public access to financial disclosure records. However, in South Africa this is not the case. All financial disclosures are treated confidentially. The reason for this is that our Constitution guarantees the right to privacy.¹³ With this in mind the Public Service Regulations¹⁴ allow only certain persons access to financial disclosure records. These are:

- An Executing Authority and the staff designated by an Executing Authority for the purpose of record-keeping and submission of the forms to the PSC;
- Commissioners of the PSC;
- the Director-General: Office of the Public Service Commission (OPSC); and
- persons designated by an Executing Authority or the Chairperson of the PSC for the implementation of the Financial Disclosure Framework.

Any other person, other than a person contemplated above, may only be given access to a financial disclosure form in terms of Section 11 of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000). No person who has access to financial disclosure records may disclose that information to anybody (except to those who are entitled to see the information) unless it is ordered by a court of law.

3.6 THE ROLE OF THE PUBLIC SERVICE COMMISSION

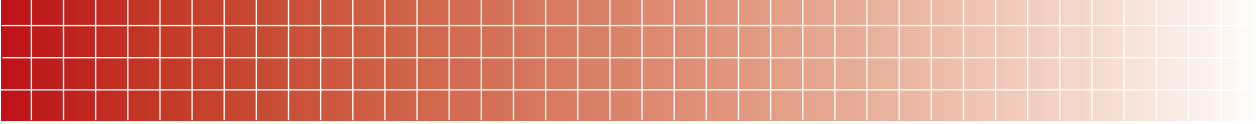
In terms of Section 196 of the Constitution of the Republic of South Africa, 1996,¹⁵ the PSC is mandated to promote the values and principles governing public administration. One of these values is the promotion and maintenance of a high standard of professional ethics in the public service. Therefore, the PSC has not only developed the Financial Disclosure Framework but also has a critical role to play in terms of the management of the Framework.

¹² Section D (a) to (g) of Chapter 3.

¹³ Chapter 2, Section 14 of the Constitution (Act 108 of 1996).

¹⁴ Section F.1 of Chapter 3.

¹⁵ Section 195 (1) (a) of the Constitution (Act 108 of 1996).



Briefly, this role involves the following:

- The PSC administers the financial Disclosure Framework.
- It scrutinizes the information as disclosed by senior managers.
- When it finds that a registrable interest of a senior manager conflicts or is likely to conflict with the execution of any official duty of that employee, the PSC has to verify the information regarding that interest and consult with the employee in question.¹⁶
- If, after such verification and consultation, the PSC is of the opinion that there is a conflict of interest or that a conflict of interest is likely to occur, it refers the matter to the relevant Executing Authority.
- The Executing Authority must then consult with the employee concerned and take appropriate steps, including, but not limited to:
 - disciplinary action; or
 - the granting of a waiver to the employee in respect of a future conflict of interests.¹⁷
- An Executing Authority must report back to the PSC within 30 days and state whether steps were taken and if no steps were taken state the reasons therefore.¹⁸

Thus, it is evident that the role of the PSC in terms of the Financial Disclosure Framework is geared towards the assessment of the disclosures and to identify cases of potential conflicts of interest. Given its mandate regarding the promotion of professional ethics the PSC must ensure that potential conflicts of interest are managed appropriately, and in a structured manner. In a report on Managing Conflicts of Interest in the Public Service¹⁹, the PSC has already recommended a policy on managing conflicts of interest.

The PSC could further structure the management of conflicts of interest by developing rules as indicated in Section 11 of the Public Service Commission Act of 1997. Section 11 provides that the PSC may make rules for the investigation, monitoring and evaluation of those matters to which Section 196 of the Constitution relates.

3.7 SUMMARY

As indicated the PSC has a critical role to play in assessing the disclosures of senior managers and in identifying cases of potential conflicts of interest. Given the constraints in terms of capacity as discussed in Chapter I, the PSC has not been able to fulfill this role to the fullest extent. The work done by the PSC in compiling this report has proved to be helpful by allowing the PSC to reflect on the manner it should deal with financial disclosures.

¹⁶ Section G.1 of Chapter 3 of the Public Service Regulations.

¹⁷ Section G.2 of Chapter 3 of the Public Service Regulations.

¹⁸ Section G.3 of Chapter 3 of the Public Service Regulations.

¹⁹ Report published by the PSC in July 2006.

Chapter Four

Submission of Financial Disclosure Forms and Identification of Potential Conflicts of Interest

4.1 INTRODUCTION

The role of the PSC is to administer and to assess the financial disclosures with a view to identify and manage potential conflicts of interest. This chapter provides an overview of compliance to the Financial Disclosure Framework and reflects on potential conflicts of interest identified through an assessment of the disclosures received.

4.2 SUBMISSION OF FINANCIAL DISCLOSURE FORMS

Given that the submission of financial disclosure forms is a regulatory requirement intended to minimize corrupt practices, only a 100% rate of compliance is acceptable to the PSC. It is therefore disconcerting that through the six (6) financial years under review this has not even remotely been achieved.

From the financial year 1999/2000 to the financial year 2004/2005 there has been a tremendous growth in the number of designated officials who had to disclose their financial interests (see **Table 2**). During the financial year 1999/ 2000 only 229 SMS members had to declare their financial interests. This was the first year of implementation in which only Heads of Department and persons occupying posts on SMS Grade 15 and higher had to disclose their financial interests. In that year the forms of 142 SMS members were received by the PSC. This represented 62% of the SMS members who had to declare their financial interests.

The growth in the number of SMS members is evident when considering that for the financial year 2004/2005, the PSC received 4955 financial disclosure forms (see **Table 2**). This is exactly 2010 forms more than the actual number of SMS members who had to disclose their financial interests in the financial year 2000/2001 (i.e., the first year in which all SMS members had to disclose their financial interests). The growth rate of SMS members together with the higher levels of compliance is creating a challenge for the PSC in that the PSC must increase its human resource capacity geared towards the Financial Disclosure Framework to fulfill its mandate in terms of assessing and identifying potential conflicts of interest.

For the financial year 2004/2005, 3374 SMS members from national departments and 3060 SMS members from provincial departments had to disclose their financial interests. This represented 6434 SMS members country-wide. Of these, the forms of 2680 SMS members from national departments and 2275 from provincial departments (a combined total of 4955) were received by the PSC. This represented a submission rate of 79% for national departments and 74% for provincial departments. The combined percentage received for this period was 77%.

TABLE 2: GROWTH OF THE NUMBER OF SMS MEMBERS IN RELATION TO THE NUMBER OF DISCLOSURES RECEIVED:

	1999 / 2000	2000 / 2001	2001 / 2002	2002 / 2003	2003 / 2004	2004 / 2005
No of Designated Officials	229	2945	4442	4647	5679	6434
Disclosures Received	142	1958	3651	3090	4069	4955
Disclosures Outstanding	87	987	791	1557	1610	1479
Percentage Received	62%	66%	82%	66%	72%	77%

During the last three financial years there has been a steady increase in the overall rate of submission of financial disclosure forms. **Figure 1** indicates that for the financial years 2002/2003, 2003/2004 and 2004/2005 the average submission of all financial disclosure forms was 66%, 72% and 77% respectively. During these financial years the PSC forwarded numerous reminders to Executing Authorities not only requesting the financial disclosure forms but reminding them that senior managers that do not comply are guilty of misconduct in terms of Chapter 3, Section H of the Public Service Regulations.²⁰

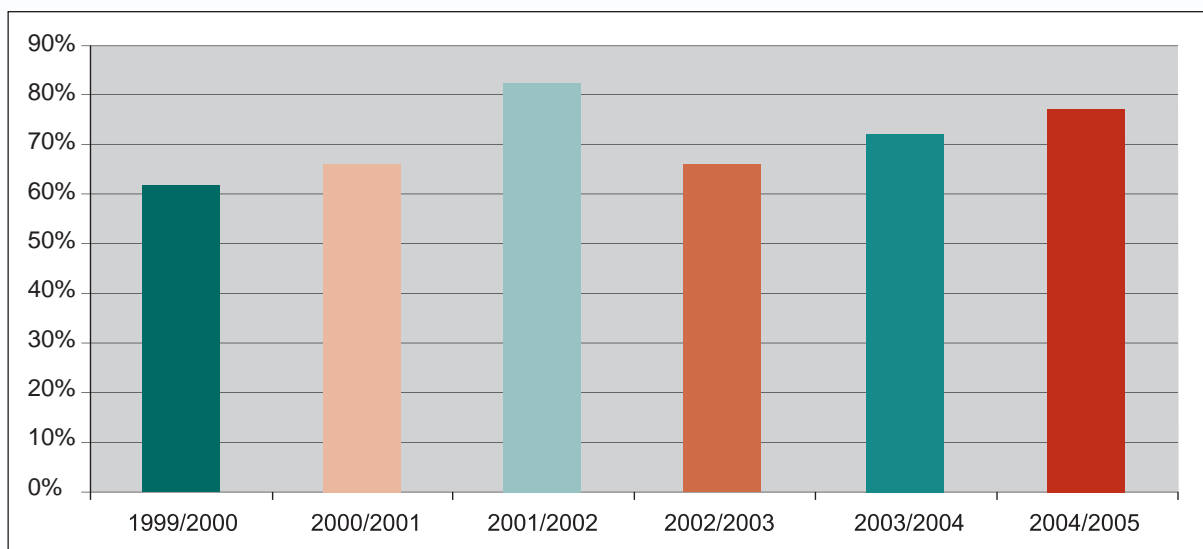


FIGURE 1: PERCENTAGE FINANCIAL DISCLOSURE FORMS RECEIVED FOR THE YEARS UNDER REVIEW: COUNTRY AVERAGES.

An overview of the compliance rates from National and Provincial departments illustrates unevenness in the extent to which the Financial Disclosure Framework has been taken up.

4.2.1 COMPLIANCE BY NATIONAL DEPARTMENTS

For national departments (see **Figure 2** below) the submission of the financial disclosure forms on two occasions reached 80% or more, i.e. in 2001/2002 and 2003/2004. The weakest years were during 1999/2000 and 2002/2003 for which the PSC received only 61% and 64% respectively.

²⁰ Chapter 3, Section H of the Public Service Regulations.

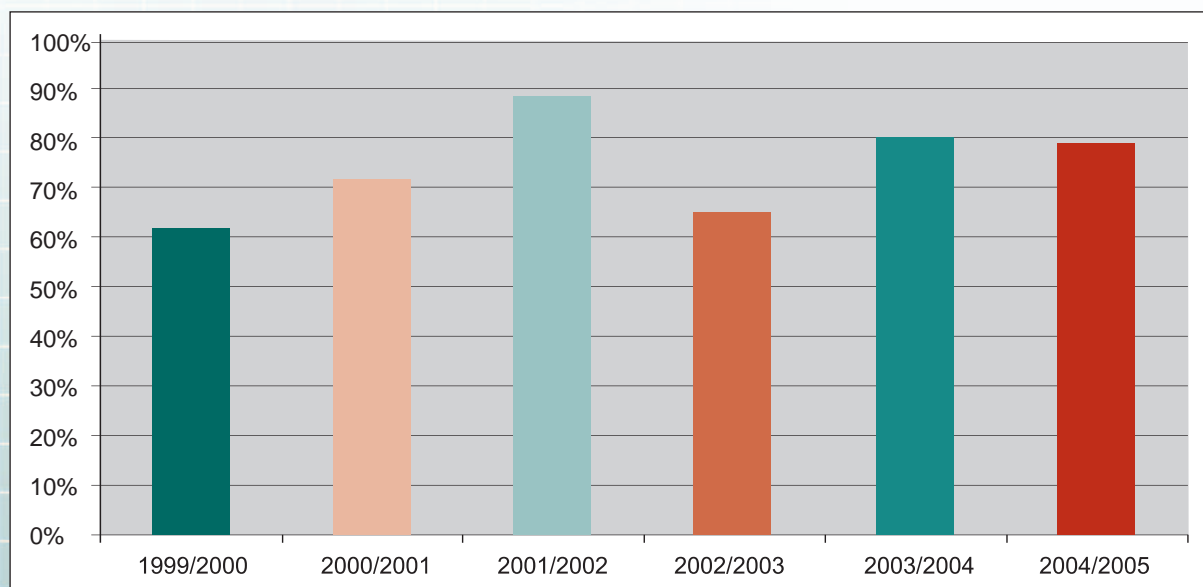


FIGURE 2: PERCENTAGE FINANCIAL DISCLOSURE FORMS RECEIVED FOR THE YEARS UNDER REVIEW: NATIONAL DEPARTMENTS.

Appendix D reflects the submission of financial disclosure forms per individual department for the financial years 2001/2002 to 2004/2005. The following departments submitted the disclosure forms of their senior managers on only one occasion during the full period under review (1999 – 2005):

- Department of Agriculture
- Department of Health
- Department of Housing
- Department of Labour

Financial disclosure forms were received by the PSC from all other departments at least on two or more occasions during the period under review.

The departments from which a 100% of financial disclosure forms were received throughout the period under review were the following:

- Government Communication and Information System
- Independent Complaints Directorate
- National Treasury
- Office of the Public Service Commission
- Safety and Security
- South African Management and Development Institute
- Statistics South Africa
- Department of Transport

The fact that only eight out of 34 departments submitted all financial disclosure forms throughout the period under review points to a lack of compliance generally by the majority of national departments.

4.2.2 COMPLIANCE BY PROVINCES

Table 3 presents an analysis of the disclosures received per province for the financial years under review (for a full analysis see Appendix E). The Western Cape Province consistently submitted the highest percentage of financial disclosure forms to the PSC. The average rate of submission for the Western Cape over the financial years under review was 93%. During the financial year 1999/2000 the submission rate for the province was 100%. Only on one occasion, i.e., 2003/2004, did the submission rate for the province drop lower than 90%.

TABLE 3: FINANCIAL DISCLOSURE FORMS RECEIVED PER PROVINCE

		1999 / 2000	2000 / 2001	2001 / 2002	2002 / 2003	2003 / 2004	2004 / 2005
EASTERN CAPE	No of SMS Members	13	114	240	241	363	414
	Disclosures Received	6	63	100	86	96	284
	Disclosures Outstanding	7	51	140	155	267	130
	Percentage Received	46%	55%	41%	37%	26%	68%
FREE STATE	No of SMS Members	14	80	190	196	243	275
	Disclosures Received	7	38	84	139	149	135
	Disclosures Outstanding	7	42	106	57	94	140
	Percentage Received	50%	48%	44%	71%	61%	49%
GAUTENG	No of SMS Members	14	198	437	445	528	632
	Disclosures Received	7	119	373	390	281	592
	Disclosures Outstanding	7	79	64	55	247	40
	Percentage Received	50%	60%	85%	88%	53%	94%
KWAZULU NATAL	No of SMS Members	12	215	313	326	447	498
	Disclosures Received	9	112	248	147	122	326
	Disclosures Outstanding	3	103	65	179	325	172
	Percentage Received	75%	52%	79%	45%	27%	65%
MPUMALANGA	No of SMS Members	14	104	138	157	167	189
	Disclosures Received	10	38	97	143	155	147
	Disclosures Outstanding	4	66	41	14	12	42
	Percentage Received	71%	37%	70%	91%	93%	78%
NORTHERN CAPE	No of SMS Members	12	39	69	70	90	119
	Disclosures Received	4	13	55	12	79	73
	Disclosures Outstanding	8	26	14	58	11	46
	Percentage Received	33%	33%	78%	17%	88%	61%
LIMPOPO	No of SMS Members	14	139	164	196	332	355
	Disclosures Received	13	127	122	165	295	220
	Disclosures Outstanding	1	12	42	31	37	135
	Percentage Received	93%	91%	74%	84%	89%	62%
NORTH WEST	No of SMS Members	7	106	141	153	221	277
	Disclosures Received	7	56	125	106	203	263
	Disclosures Outstanding	0	50	16	47	18	14
	Percentage Received	100%	53%	89%	69%	92%	95%
WESTERN CAPE	No of SMS Members	11	212	259	265	288	300
	Disclosures Received	11	206	257	243	256	270
	Disclosures Outstanding	0	6	2	22	32	30
	Percentage Received	100%	97%	99%	91%	89%	90%

The North West Province submitted the second highest percentage of financial disclosure forms. The average percentage for the North West Province for the six financial years under review is 83%. Except for the North West and Western Cape Provinces no other province reached an average of 80% or more.

The province with the lowest average submission rate is the Eastern Cape with an average rate of only 46% over the six financial years. The highest submission rate the province achieved for any particular financial year (2004/2005) was 68%. The province reached a low of 26% for the financial year 2003/2004.

As indicated earlier (**Figure 1**) there has been a steady increase in the number of forms that was received over the last three financial years. However, despite these increases the PSC is as indicated, of the view that only 100% compliance is acceptable.

4.3 CONCERNS REGARDING THE MANNER IN WHICH FINANCIAL DISCLOSURES ARE SUBMITTED

The analysis of the financial disclosure forms as well as feedback obtained from departments raised the following concerns regarding the manner in which the forms are submitted and the extent to which the content enables the identification of conflicts of interest:

- Many SMS members submit their forms to their Executing Authorities. However, the Executing Authorities do not submit copies of the forms to the PSC.
- Executing Authorities do not sign the forms as submitted by SMS members timeously and the forms are therefore submitted late to the PSC.
- Some forms are submitted to the PSC without the signature of the Executing Authority.
- SMS members who declare that they are involved in partnerships and closed corporations do not (where applicable) indicate that they attend board meetings of such companies and therefore there is no indication that they perform remunerated work outside of the Public Service.
- In order for the PSC to identify potential conflicts of interest it must assess the job functions of the SMS members against the type of business such individuals are privately involved in. Currently, the disclosure form does not make provision for the job description of the official, in order to compare it with the disclosures provided on the form. This makes it difficult for the PSC to identify potential conflicts of interest.

These concerns are dealt with through recommendations in Chapter 5 of this report.

4.4 ASSESSMENT OF THE SAMPLE OF FINANCIAL DISCLOSURE FORMS

In terms of the Financial Disclosure Framework, the PSC should identify potential conflicts of interest through its assessment of the financial disclosure forms. A sample of 300 forms for each financial year under review was therefore assessed to identify potential conflicts of interest. The only exception was for the financial year 1999/2000 for which, as indicated, only 142 disclosures were received. It should be noted that the PSC had to analyze the financial disclosures with very little information to enable an informed identification of potential conflicts of interest. As indicated, critical information on job content is not provided in financial disclosures and as such the PSC had to make certain assumptions. This may have resulted in more potential conflicts of interest being identified than would have been the case had more information on job contents been available.

Table 4 indicates the total number of officials from the sample of 300 who disclosed that they have shares and other financial interests, directorships and partnerships and who have received gifts, etc.

TABLE 4: REGISTRABLE INTERESTS DECLARED BY SMS MEMBERS.

	1999 / 2000	2000 / 2001	2001 / 2002	2002 / 2003	2003 / 2004	2004 / 2005
Shares and other financial interest	98	105	128	120	73	86
Directorships and partnerships	39	44	109	53	47	74
Work outside of the public service	6	7	28	18	12	15
Consultancies and retainerships	1	2	9	4	7	9
Sponsorships	3	6	7	13	2	21
Gifts and hospitality	14	4	23	22	15	11
Land and property	115	165	203	229	129	189

As indicated in **Table 4** consultancies and retainerships are the interests that are being declared the least. Land and property are being declared the most. However, in the case of land and property the disclosures only related to residential dwellings of designated officials.

No potential conflicts of interest were found with respect to work outside of the Public Service, sponsorships, gifts and hospitality, consultancies and retainerships and land and property. In terms of shares and directorships however, potential conflicts of interest were identified as highlighted in **Table 5**. Shares and directorships were grouped together for purposes of the analysis as some SMS members indicated that they have shares in one particular company whilst they also have directorships and partnerships in the same company.

TABLE 5: IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST WITH REGARD TO SHARES AND DIRECTORSHIPS

	NUMBER OF OFFICIALS	CASES WITH POTENTIAL CONFLICTS OF INTEREST	CASES WITH NO POTENTIAL CONFLICTS OF INTEREST	PERCENTAGE POTENTIAL CONFLICTS OF INTEREST
1999 – 2000	39	28	11	72%
2000 – 2001	44	28	16	64%
2001 – 2002	38	17	21	45%
2002 – 2003	53	26	27	49%
2003 – 2004	47	31	16	66%
2004 – 2005	57	26	31	46%

In identifying potential conflicts of interest the type of work that the official does was matched against the type of business activity the company, as disclosed by the SMS members, was involved in. Where it was found that the two are related the assumption was made that a potential conflict of interest exists. Upon assessing the directorships/shares/partnerships in this manner the PSC found that for the financial year 1999/2000, out of 39 cases, 28 of these posed a potential conflict of interest. This represents 72% and is the highest for any particular financial year. A possible reason why top management is involved in directorships/shares/ partnerships could be that they are looking at ways to improve their financial security. However, the risk is that the more they become involved in these activities, the more they potentially open themselves to being influenced by sources outside of their work environment, thereby putting their departments at risk.

4.5 IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST EMANATING FROM THE AUDITOR-GENERAL'S REPORT ON THE DECLARATIONS OF INTEREST BY MINISTERS, DEPUTY MINISTERS AND GOVERNMENT EMPLOYEES

4.5.1 GENERAL RESULTS

The Auditor-General provided the PSC with 1581 exception reports. These reports are an indication of the total number of SMS members who are directors or members in companies and close corporations. The financial disclosure forms of the relevant senior managers for 2003/2004 (the period applicable for the Auditor-General's report) were assessed to determine if they had disclosed the directorships or partnerships. At the same time potential conflicts of interests were identified based on the premises as highlighted in Chapter 2.

Based on the analysis a total of 835 SMS members are involved in companies which could pose a potential conflict of interest to the State as Employer. This represents 53% of the total cases that were analyzed. The totals for national departments and provinces are indicated in **Table 6**.

As indicated in **Table 6** a high percentage of the identified senior managers in national departments and in provinces such as the Eastern Cape, Western Cape and Northern Cape are involved in companies that may pose a potential conflict of interest with their official responsibilities.

TABLE 6: IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST EMANATING FROM THE AUDITOR-GENERAL'S REPORT

NATIONAL DEPARTMENT/PROVINCE	NUMBER OF CASES	POTENTIAL CONFLICTS OF INTEREST	NO POTENTIAL CONFLICTS OF INTEREST	PERCENTAGE POTENTIAL CONFLICTS OF INTEREST
National Departments	840	446	394	53%
Eastern Cape	103	64	39	62%
Free State	49	25	24	51%
Gauteng	186	102	84	55%
Kwazulu-Natal	117	51	66	44%
Limpopo	127	68	59	54%
Mpumalanga	66	22	44	33%
Northern Cape	28	15	13	54%
North West	0	0	0	0
Western Cape	65	42	23	65%
NATIONAL AVERAGE	1581	835	746	53%

A number of cases were found where the PSC could not come to a conclusion on whether a potential conflict of interest exists. This was due to the fact that not enough information was available on the financial disclosure forms of certain senior managers as well as the fact that not enough information concerning the company was available from the CIPRO database. **Table 7** indicates the specific categories of potential conflicts of interest. As indicated in Chapter 2 potential conflicts of interest were identified on the basis of the relationship between the work of the SMS members and that of the private company the individual is involved in, the number of companies the designated official is involved in and the instance where the designated official shares a company with his/her colleague. What is significant to note is that the link between official responsibility and the private company of the senior managers concerned created the highest number of potential conflicts of interest.

TABLE 7: SPECIFIC CATEGORIES OF POTENTIAL CONFLICTS OF INTEREST

NATIONAL DEPARTMENT/PROVINCE	LINK BETWEEN JOB AND COMPANY	IDENTIFICATION BY NUMBER OF COMPANIES	OFFICIALS SHARING COMPANIES	NO CONCLUSION ON CONFLICTS OF INTEREST
National Departments	364	65	17	81
Eastern Cape	56	8	0	5
Free State	17	6	2	1
Gauteng	77	23	2	14
Kwazulu-Natal	48	3	0	3
Limpopo	50	16	2	9
Mpumalanga	16	4	2	9
Northern Cape	13	0	2	2
North West	-	-	-	-
Western Cape	37	5	0	0
NATIONAL AVERAGE	678	130	27	124

4.5.2 NATIONAL DEPARTMENT RESULTS

The three departments whose SMS members have the lowest and the highest number of potential conflicts of interest respectively are pointed out in **Figure 3** below. The national department whose officials identified by the Auditor-General have the lowest potential conflicts of interest is the Office of the Public Service Commission (OPSC) with 18%. This is followed by the Department of Home Affairs (25%) and the Department of Foreign Affairs (41%). Statistics South Africa, with 92%, the Department of Communications with 90% and the Department of Minerals and Energy with 71%, are the departments whose SMS members have the highest percentage potential conflicts of interest. Senior managers in the departments where high numbers of potential conflicts of interest were detected are involved in private companies that can be linked to their official responsibilities.

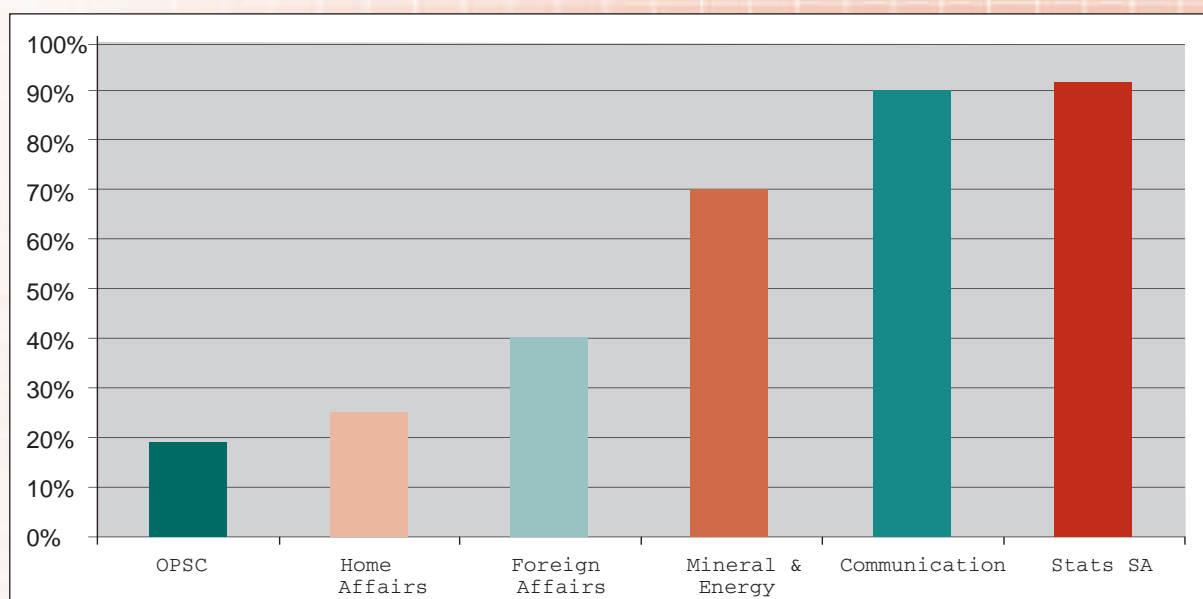


FIGURE 3: THE THREE DEPARTMENTS WHOSE SMS MEMBERS POSE THE LOWEST AND THE HIGHEST POTENTIAL CONFLICTS OF INTEREST.

4.5.3 PROVINCIAL DEPARTMENT RESULTS

The five provincial departments whose SMS members identified by the Auditor-General have the highest number of potential conflicts of interest appear in **Table 8** below. The SMS members of two departments of the Eastern Cape feature in **Table 8**. In both departments (i.e. Department of Roads and Transport and the Department of Public Works), 88% of the SMS members identified by the Auditor-General have a potential conflict of interest.

The SMS members of the Department of Agriculture of the Western Cape have the highest number of potential conflicts of interest across all provinces. The principal reason, as in the case of the two national departments, for this is that many of these senior managers are employed in specific job categories that can be linked to the private companies in which they are involved.

TABLE 8: PROVINCIAL DEPARTMENTS WHOSE SMS MEMBERS HAD THE MOST POTENTIAL CONFLICTS OF INTEREST

PROVINCE	NAME OF DEPARTMENT	PERCENTAGE POTENTIAL CONFLICTS OF INTEREST
Western Cape	Dept of Agriculture	89%
Eastern Cape	Dept of Roads and Transport	88%
Eastern Cape	Dept of Public Works	88%
Kwazulu- Natal	Dept of Traditional and Local Government Affairs	82%
Free State	Department of Health	78%

The five provincial departments whose designated officials identified by the Auditor-General have the lowest number of potential conflicts of interest appear in **Table 9**.

TABLE 9: PROVINCIAL DEPARTMENTS WHOSE SMS MEMBERS HAD THE LEAST POTENTIAL CONFLICTS OF INTEREST

PROVINCE	NAME OF DEPARTMENT	PERCENTAGE POTENTIAL CONFLICTS OF INTEREST
Kwazulu-Natal	Department of Health	29%
Mpumalanga	Department of Health and Social Services	35%
Gauteng	Dept of Transport and Public Works	36%
Kwazulu-Natal	Dept of Welfare and Population Development	38%
Mpumalanga	Dept of Agriculture and Land Administration	38%

4.5.4 APPEARANCE OF CONFLICTS OF INTEREST

The PSC investigated the areas of public administration in which potential conflicts of interest appear the most. After assessing the potential conflicts of interest of SMS members identified by the Auditor-General it was found that those officials who have directorships in private companies and close corporations and whose job functions are closely aligned with financial management, safety and security and education pose the highest potential conflicts of interest. These areas of public administration were defined by means of the following:

- Financial management covers officials who work with the financial administration of their respective departments, for example, Chief Financial Officer and / or Audit an Accounts Managers and Procurement Managers.
- Safety and security involves officials who not only work in the South African Police Services but also those who perform duties as security managers in their respective departments.
- Education involve officials who provide or facilitate education and training.

The percentage of SMS members identified by the Auditor-General in these areas of public administration who have potential conflicts of interest are as follows:

- Financial Management - 72%
- Safety and Security - 66%
- Education - 65%

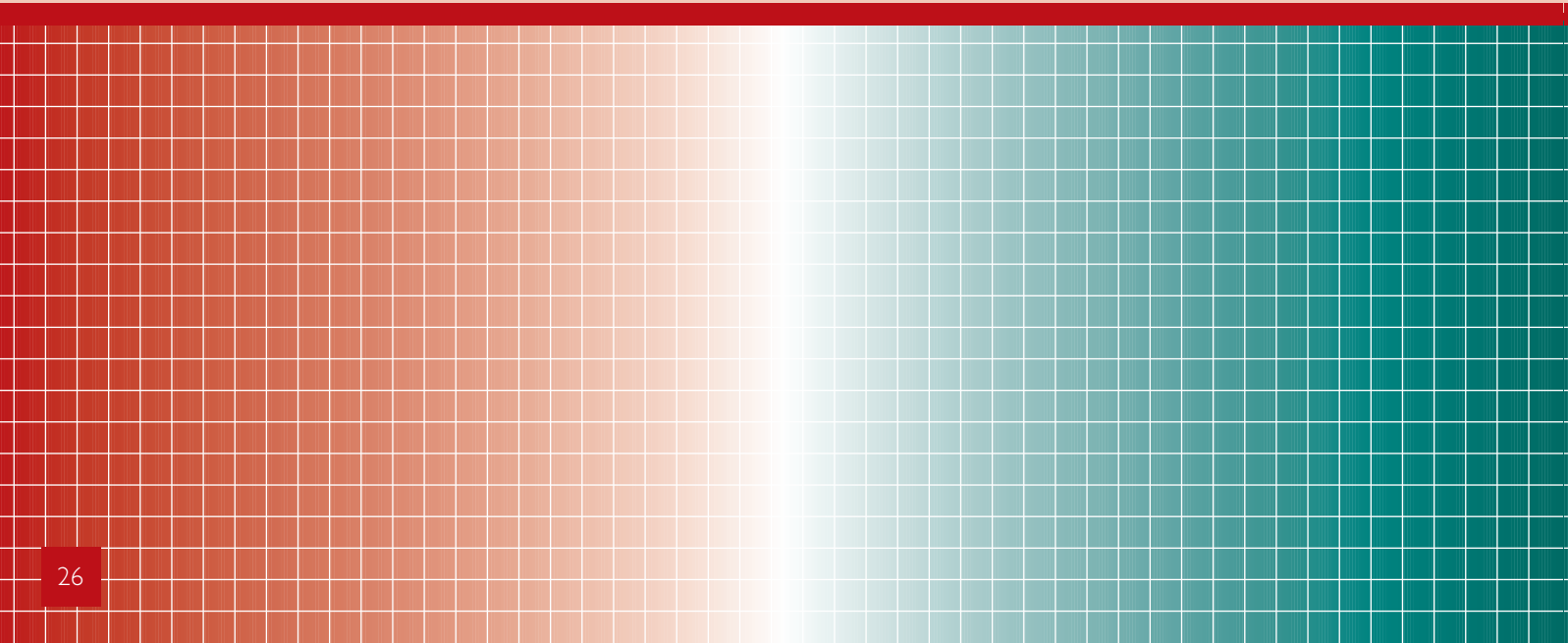
The research shows that senior managers who perform official duties in the abovementioned areas are more vulnerable to conflicts of interest than those that work in other areas of public administration, for example health and social welfare. In terms of identifying potential conflicts of interest it was found that senior managers who work in these areas are involved in companies that can be linked to their official duties or the general functions of their specific departments. An example that could be provided is that of a Chief Inspector: Mines Health and Safety who is involved in a company associated with the security industry. Because of this association there is a potential that conflicts of interest could occur.

Moreover, it was noticed from the report of the Auditor-General that 39 Heads of Department appeared on the list of officials that have partnerships and directorships in companies and close corporations. After assessing the information it was found that of these officials, 33 Heads of Department, due to their involvement in private companies and closed corporations, have a potential conflict of interest. It was found that there may be a correlation between the functions and mandates of the respective departments and the nature of financial interests disclosed. This represents 85% of the sample of Heads of Department and is consistent with the high levels reported earlier (see **Table 5**). In terms of the 1999/2000 disclosures filed with the PSC it was found that 72% of the companies where top management are involved in pose a potential conflict of interest.

4.6 SUMMARY

Although there was a growth in the number of SMS members, the submission of the financial disclosure forms fluctuated during the period under review. However, for the last three financial years an upward trend has been detected.

Only a 100% compliance rate will suffice. Through its scrutiny of the financial disclosures, the PSC has noted that in order to effectively identify conflicts of interest further information would have to be obtained especially regarding job contents.



Chapter Five

Strengthening the Financial Disclosure Framework

5.1 INTRODUCTION

In this chapter the focal point of discussion is on improving the Financial Disclosure Framework. This includes not only recommendations for amendments to the Public Service Regulations but also amendments to the financial disclosure forms. The recommendations seek to address the challenges identified in order to improve the Financial Disclosure Framework and to provide an opportunity for the PSC to fully maximize its mandate in terms of identifying potential conflicts of interest and to monitor and evaluate the management of potential conflicts of interest in the Public Service.

5.2 MEASURES TO IMPROVE THE FINANCIAL DISCLOSURE FRAMEWORK

Since the inception of the Financial Disclosure Framework all departments and organizational components have been kept up to date by means of official correspondence regarding the submission of financial disclosure forms. All SMS members should therefore be aware that they should submit financial disclosure forms. However, the challenge that was experienced during the financial years under review was that forms were not submitted timeously to the PSC and in many cases forms were not submitted at all. New approaches are therefore required in order to improve the Financial Disclosure Framework and thereby improve the submission rate of the financial disclosure forms.

5.2.1 MANAGERIAL RESPONSIBILITY FOR THE FINANCIAL DISCLOSURE FRAMEWORK

Many of the problems encountered with the management of the Financial Disclosure Framework could be solved if individual departments are given responsibility for ensuring that SMS members observe the Financial Disclosure Regulations. Placing the responsibility exclusively on one central institution such as the PSC generates a number of implementational challenges and problems. In many instances it is difficult for a central agency to determine whether there is a conflict of interest – line managers are best placed to do so. It is much more feasible to manage 40 forms (some departments only have 40 designated officials) in one department than managing close to 6000 forms which come from various departments.

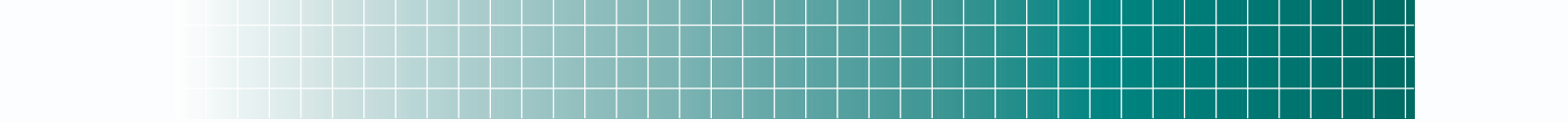
It is therefore recommended that Heads of Department be assigned the responsibility to assess the disclosure forms of senior managers in their departments and advise their Executing Authorities after having clarified potential conflicts of interest with the senior managers involved. The Head of Department may also sign the disclosures and dispatch them to the PSC at the same time as advising their Executing Authorities on cases where potential conflicts of interest are identified. When submitting the forms to the PSC the Head of Department will have to single out in a covering letter cases where conflicts of interest were identified and how these have been addressed.

In managing the assessment of the financial disclosures Heads of Department may delegate responsibilities to appropriate persons within their departments. The Executing Authority will only consider the form of the Head of Department and forward this to the PSC. The PSC on receipt of the forms from departments will evaluate whether potential conflicts of interest identified have been appropriately dealt with. It may also perform random checks on other forms submitted.

5.2.2 IMPOSING OF PENALTIES

In **Table I** of this report it is indicated that countries such as the USA and Philippines impose penalties for the non-submission of financial disclosure forms, where officials are required to do so.²¹ The Philippines even go so far as to recommend imprisonment for non-compliance. Since the compliance rate for the South African Public Service is as

²¹ See PSC report on "Implementing Financial Disclosure Requirements", 2004.



low as has been indicated (some provinces only submitted 17% and 26% for some financial years) it is desirable that penalties should be imposed for non-compliance to the Financial Disclosure Framework. Irrespective of the fact that an increase in the submission rate has been detected (see **figure 1**) only full compliance will be acceptable. Therefore, it is proposed that the Executing Authority impose a fine of R5000.00 on SMS members who fail to declare their financial interests by the due date of April of each year.

5.2.3 AN ELECTRONIC FINANCIAL DISCLOSURE SYSTEM

In order to improve the submission rate of the financial disclosure forms it is recommended that an electronic financial disclosure system be introduced. Discussions between officials from the State Information and Technology Agency (SITA) and the PSC regarding the logistics of an electronic system for the submission of the financial disclosure forms have taken place. SITA is of the view that an electronic financial disclosure system could be developed and could be based on the one in operation in Boston (USA).²² However, the South African version would be more expensive as it would have to take the confidentiality parameters into consideration. Briefly, an electronic financial disclosure system operates as follows:

- A SMS member completes a form (Application for User ID/Password) which would be available from the website of the PSC.
- The completed form is submitted via e-mail to an official in the PSC who verifies the information of the official (name, department and Persal number etc) and validates the request. Upon approval, the public manager receives a unique User ID/Password via e-mail which gives him/her access to the system.
- With the User ID/Password, the public manager is permitted access to the electronic filing application available from the website of the PSC.
- The SMS member then completes the financial disclosure form and submits it. Notification of receipt is received via e-mail.
- The system permits the user to view the previous year's filing and amend or delete information as necessary prior to actual submission.
- Should a third party be interested to see the financial disclosure form of a particular official such a person or entity will also receive a unique User ID/Password **on approval**. For security reasons the system allows for some of the information (eg. home address and creditors names where applicable) to be encrypted.

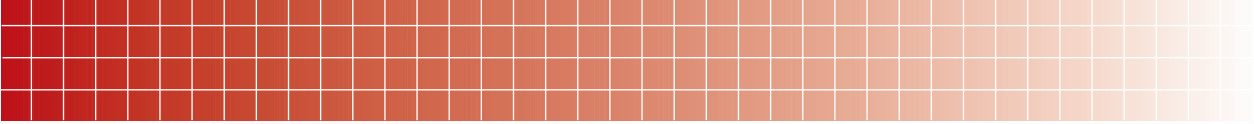
The major advantage of an electronic financial disclosure system is that it would speed up the submission of the financial disclosure forms. The system also allows for secure transmission and encryption of confidential information. The proposal that Heads of Department manage financial disclosures can also be accommodated through such a system.

Taking its benefits into consideration, it is recommended that an electronic Financial Disclosure System be developed through which SMS members could submit their financial disclosure forms. The system will be aligned with the proposed revisions to the Framework if adopted.

5.2.4 FINANCIAL DISCLOSURE FRAMEWORK LINKED TO PERFORMANCE AGREEMENTS

In addition to imposing penalties, the Public Service Commission is of the view that compliance with the Financial Disclosure Framework should be linked to the Performance Agreements of SMS members. Chapter 4, Section 8.1

²² During 2000 officials and one Commissioner went on a study tour to the USA to research financial disclosure frameworks. It was during this time that they came across electronic financial disclosure systems.



stipulates that all members of the SMS (managers and professionals) shall enter into Performance Agreements by no later than 31 March annually.²³ These Performance Agreements are reviewed on an annual basis and provision is made for rewarding outstanding performance in terms of Chapter 4, Section 15.4(1) which provides that Executing Authorities have the authority to reward members of the SMS for meritorious performance.²⁴ By linking the Financial Disclosure Framework to the Performance Agreements, the PSC proposes that performance rewards should be made contingent on the disclosure of financial interests. In other words a performance reward should not be given without the Executing Authority first being sure that a SMS member has submitted a financial disclosure form for a particular year.

5.2.5 WORK OUTSIDE OF THE PUBLIC SERVICE

It has come to the notice of the Public Service Commission that some public officials attend Board meetings of companies where they are either Board members or have Directorships/Partnerships and for which they receive remuneration. The officials do not register their attendance of such Board meetings as work outside of the Public Service and therefore no approval is obtained from either the Head of Department or the Executing Authority. This practice could lead to potential conflicts of interest as such companies may have significant interactions with government.

The Concise Oxford Dictionary defines remuneration as "reward or pay for services rendered." This definition implies that for any remuneration received, some form of work would have been performed even if it is only the attendance of a meeting.

The Financial Disclosure Framework treats Directorships/Partnerships and remunerated work outside of the Public Service as two separate issues (see Appendix B). In the section where it indicates remunerated work outside of the Public Service, the approval by the Executing Authority is required. On the other hand, in the section dealing with Directorships/Partnerships, even though it makes provision for a person to receive remuneration, it does not indicate that the Executing Authority needs to give approval. Taking this point into consideration as well as the definition of remuneration, it is clear that the section on Directorship/Partnership provides a loophole for officials. Officials may indicate that they receive remuneration, for example, attending a meeting of a private company but they do not have to indicate it as remunerative work outside of the Public Service for which approval is required.

There is thus a need to ensure that all company meetings of a private company, which are attended by a public official and for which he/she receives compensation be regarded as work outside of the Public Service. Directorships/Partnerships should also be construed as work outside of the Public Service for which approval ought to be obtained from the Head of a Department or if a person is the Head of the Department, from the Executing Authority.

5.2.6 APPOINTMENT OF ETHICS OFFICERS

Much attention is given by institutions such as the PSC to creating awareness of the principles enshrined in the Code of Conduct and building a sound ethics infrastructure in the Public Service.

The PSC is of the view that the promotion of ethics will be strengthened through the appointment of Ethics Officers to perform the following functions:

- Administer and implement the financial disclosure framework in their departments;
- facilitate the implementation of the Code of Conduct throughout his/her department;

²³ Chapter 4 of the SMS Handbook 2003 Edition.

²⁴ Chapter 4 of the SMS Handbook 2003 Edition.

- give advice, training and support to officials in his/her department pertaining to all matters regarding ethics and anti-corruption;
- ensure the establishment of an ethics policy in her/his department; and
- researching ethical and anti-corruption programmes with the aim of practical implementation in his/her department.

Given the variety of tasks described above, the PSC proposes that this be a dedicated full-time position.

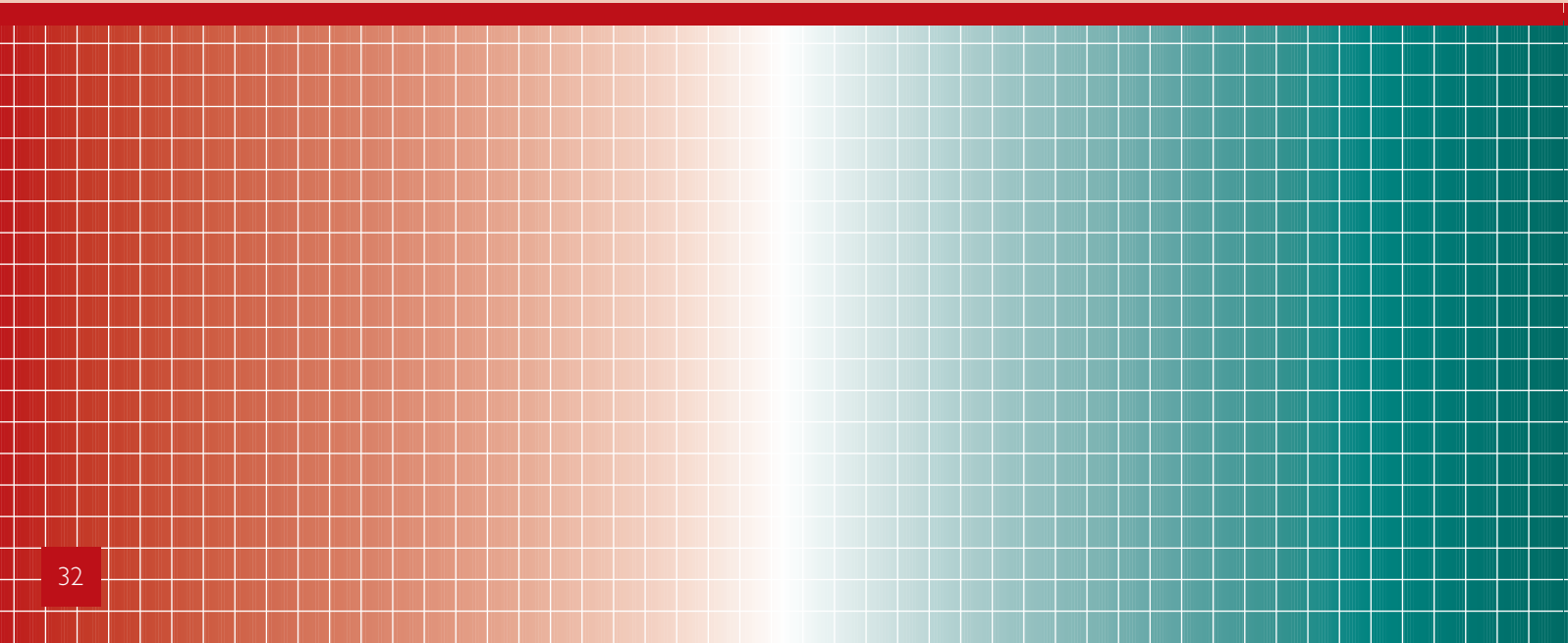
5.2.7 AMENDMENTS TO THE FINANCIAL DISCLOSURE FORM

In order to fully address the challenges to the Financial Disclosure Framework amendments to the financial disclosure form are proposed. The form currently in use appears at Appendix B whilst the proposed amended form appears at Appendix C. The proposed amendments are discussed below:

- Throughout the financial years under review many queries were received regarding the financial disclosure form. One of these was that the form makes no provision for the year disclosures are made. This not only caused confusion amongst certain designated officials but also presented problems with the filing of the form. Therefore it is proposed that the words ***“for the financial year”*** be added on the form.
- The current form only makes provision for “position held”. This provided the opportunity for designated officials to only insert “Senior Manager” or “Director”. In order for the PSC to identify potential conflicts of interest some form of job description needs to be included on the form. For this reason the item ***“Short description of job functions”*** is recommended to be included on the form.
- Previously it was indicated that the item on Directorships and Partnerships provided a loophole in that officials perform work (eg attending meetings for which they receive remuneration) without obtaining approval. It is therefore, recommended that the phrase: ***“Should Directorships and Partnerships lead to any outside work being performed and compensation being received, prior approval for such work must be obtained of which a copy of such approval must be submitted with the completed financial disclosure form”***, be added at the section dealing with Directorships and Partnerships.
- Furthermore, it has been detected that officials use the financial disclosure form to obtain approval for work outside the Public Service. This is because the current form requires the signature of the Executing Authority and it also indicates: *“must be sanctioned by your Executing Authority”*. Section 30 of the Public Service Act, 1994 (as amended) clearly provides that:
 - every officer and employee shall place the whole of his or her time at the disposal of the State; and
 - no officer or employee shall perform or engage himself or herself to perform remunerative work outside his or her employment in the public service, without permission granted by the relevant Executing Authority or an officer authorized by the said authority.

The above-mentioned provision of the Public Service Act clearly indicates that approval for work outside of the Public Service ought to be obtained prior to performing the actual work. Therefore it is proposed that requirements of the financial disclosure form regarding the signature of the Executing Authority in section 3 of the form be deleted. It is recommended that it be replaced by: ***“Must be sanctioned by the Executing Authority or an officer authorized by an Executing Authority. A copy of such approval must accompany the completed financial disclosure form”***.

It is recommended that the above-mentioned amendments to the financial disclosure form be effected as soon as possible, preferably before the next round of disclosures (i.e. 2006/2007).



Chapter Six

Conclusion



6. CONCLUSION

Managing the conflicts of interest of public servants effectively is an important stepping stone to achieving high levels of integrity in the Public Service. Through the management of conflicts of interest, honest public servants are kept honest and the opportunity for corruption to occur is reduced. The PSC, emanating from this study, intends to sharpen its role in managing conflicts of interest through the Financial Disclosure Framework for senior managers.

The recommendations have placed emphasis on the need to strengthen the management of conflicts of interest within the workplaces by proposing greater involvement of Heads of Department. Such an approach together with the oversight provided by the PSC will ensure that no financial disclosure form escapes thorough scrutiny.

Appendix A

Public Service Regulations: Chapter 3

FINANCIAL DISCLOSURE OF MEMBERS OF THE SENIOR MANAGEMENT SERVICE

A. DEFINITIONS

In this Chapter, unless the context indicates otherwise-

“designated employee” means-

- (a) any member of the SMS; or
- (b) any other person in terms of section 36(3) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), approved or instructed by the relevant treasury to be the accounting officer of a national department, organisational component, provincial administration or provincial department;

“register” means the Register of Designated Employees' Interests kept in terms of regulation B.(a) of this Chapter;

“registrable interests” means the financial interests listed in regulation D of this Chapter;

“remuneration” means receipt of benefits in cash or in kind;

“submitted form” means a form submitted by a designated employee to the relevant executing authority in terms of regulation C of this Chapter, or any copy thereof.

B. REGISTER AND FUNCTIONS OF DIRECTOR-GENERAL: OFFICE OF THE PUBLIC SERVICE COMMISSION

The Director-General: Office of the Public Service Commission shall-

- (a) keep a register for the purposes of this Chapter, called the Register of Designated Employees' Interests, in a format approved by the Commission; and
- (b) perform such other functions in relation to the implementation of this Chapter as the Commission may require.

C. DISCLOSURE OF DESIGNATED EMPLOYEES' INTERESTS

- C.1 Every designated employee shall, not later than 30 April of each year, disclose to the relevant executing authority, on the form determined for this purpose by the Commission, particulars of all her or his registrable interests in respect of the period 1 April of the previous year to 31 March of the year in question.
- C.2 Any person who became a designated employee from 1 May 2001 only, shall make such disclosure in respect of the period 1 April 2000 to 31 March 2001, not later than 31 May 2001.
- C.3 Any person who assumes duty as a designated employee after 1 April in a year shall make such disclosure within 30 days after assumption of duty in respect of the period of 12 months preceding her or his assumption of duty.
- C.4 Every executing authority shall submit to the Commission a copy of the form submitted to the executing authority in terms of
 - (a) regulation C.1 of this Chapter not later than 31 May of the year in question;
 - (b) regulation C.2 of this Chapter not later than 30 June 2001; or
 - (c) regulation C.3 of this Chapter not later than 30 days after it has been so submitted.

D. KINDS OF INTERESTS TO BE DISCLOSED

The following kinds of financial interests are registrable interests:

- (a) Shares and other financial interests in private or public companies and other corporate entities recognised by law;
- (b) directorships and partnerships;
- (c) remunerated work outside the public service;
- (d) consultancies and retainerships;
- (e) sponsorships;
- (f) gifts and hospitality from a source other than a family member; and
- (g) ownership and other interests in land and property, whether inside or outside the Republic.

E. DETAILS OF REGISTRABLE INTERESTS TO BE DISCLOSED

The following details of registrable interests shall be disclosed:

- (a) Shares and other financial interests in private or public companies and other corporate entities recognised by law:
 - (i) The number, nature and nominal value of shares of any type in any public or private company and its name; and
 - (ii) the nature and value of any other financial interests held in a private or public company or any other corporate entity and its name.
- (b) Directorships and partnerships:
 - (i) The name, and type of business activity, of the corporate entity or partnership; and
 - (ii) if applicable, the amount of any remuneration received for such directorship or partnership.
- (c) Remunerated work outside the public service:
 - (i) The type of work;
 - (ii) the name, and type of business activity, of the employer; and
 - (iii) the amount of the remuneration received for such work.
- (d) Consultancies and retainerships:
 - (i) The nature of the consultancy or retainership of any kind;
 - (ii) the name, and type of business activity, of the client concerned; and
 - (iii) the value of any benefits received for such consultancy or retainership.
- (e) Sponsorships:
 - (i) The source and description of direct financial sponsorship or assistance; and
 - (ii) the value of the sponsorship or assistance.
- (f) Gifts and hospitality from a source other than a family member:

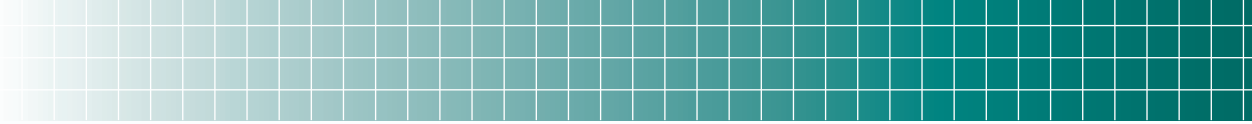
- (i) A description and the value and source of a gift with a value in excess of R350;
 - (ii) a description and the value of gifts from a single source which cumulatively exceed the value of R350 in the 12 month period contemplated in regulation C of this Chapter; and
 - (iii) hospitality intended as a gift in kind.
- (g) Ownership and other interests in land and property, whether inside or outside the Republic:
- (i) A description and extent of the land or property;
 - (ii) the area in which it is situated; and
 - (iii) the value of the interest.

F. CONFIDENTIALITY OF SUBMITTED FORMS AND REGISTER

- F.1 Subject to regulation F.3 of this Chapter only the following persons have access to a submitted form or the register:
- (a) The executing authority to whom the form is submitted and the staff designated by the executing authority for purposes of record-keeping of the original form and submission of a copy of the form to the Commission;
 - (b) commissioners of the Commission;
 - (c) the Director-General: Office of the Public Service Commission; and
 - (d) such other persons designated by an executing authority or the chairperson of the Commission for purposes of the effective implementation of this Chapter.
- F.2 No person who has access to a submitted form or the register may, except when a court so orders, disclose any information in that form or register to anyone other than-
- (a) a designated employee in respect of her or his submitted form or an entry in the register in respect of that employee; or
 - (b) another person who is permitted access in terms of regulation F.1 of this Chapter or to whom access is granted in accordance with regulation F.3 of this Chapter.
- F.3 Any person, other than a person contemplated in regulation F.1 of this Chapter, may only be given access to a submitted form or the register in terms of section 11 of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000).
- F.4 Any employee who contravenes regulation F.2 of this Chapter is guilty of misconduct.

G. CONFLICTS OF INTEREST

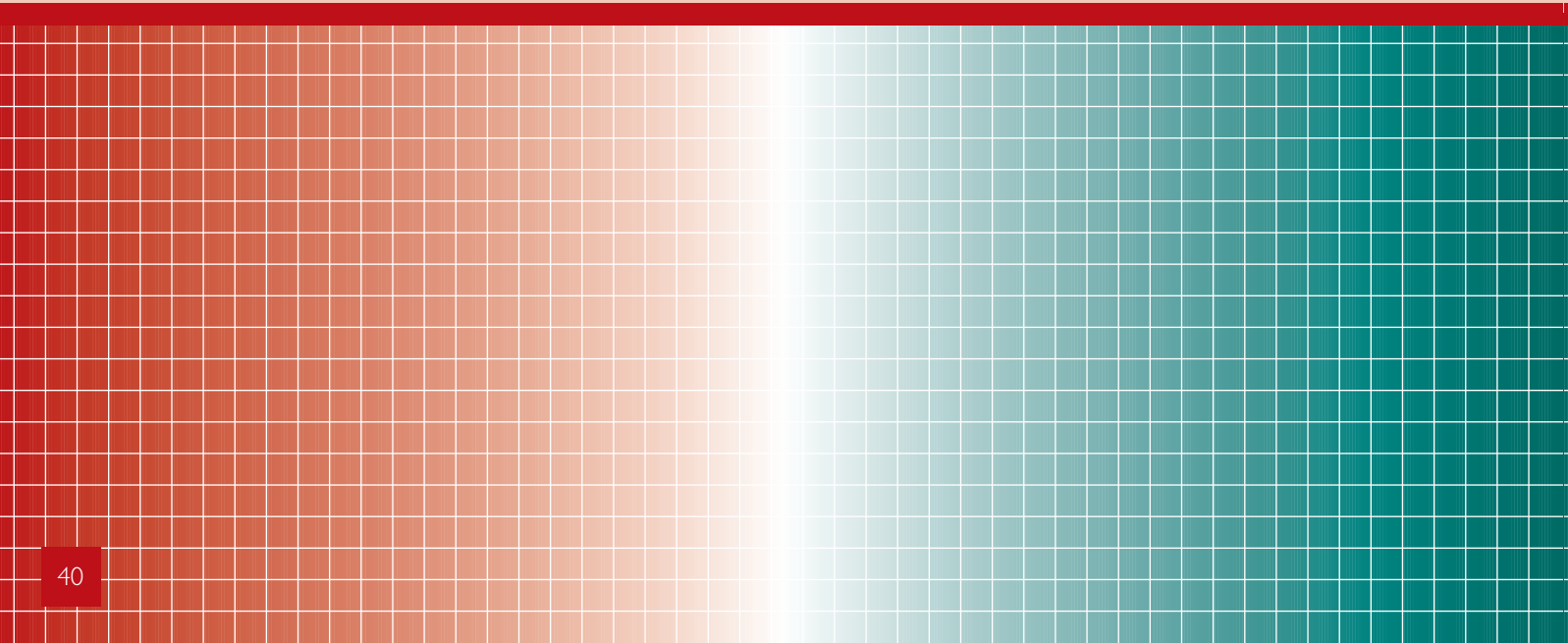
- G.1 If the Commission is of the opinion that a registrable interest of a designated employee disclosed in terms of regulation C of this Chapter conflicts or is likely to conflict with the execution of any official duty of that employee, it shall verify the information regarding that interest and consult with the employee in question.

- 
- G.2 If, after such verification and consultation, the Commission is of the opinion that there is such conflict or that such conflict is likely to occur, it shall refer the matter to the relevant executing authority.
- G.3 Upon the referral, the executing authority shall consult with the employee concerned and take the appropriate steps, including, but not limited to-
- (a) the institution of disciplinary action; or
 - (b) the granting of a waiver to the employee in respect of a future conflict of interest.
- G.4 An executing authority shall, within 30 days after such referral, report to the Commission by-
- (a) stating whether any steps were taken; and
 - (b) if steps were taken, giving a description of those steps or, if no steps were taken, giving the reasons therefore.

H. FAILURE TO DISCLOSE INTERESTS

Any designated employee who-

- (a) fails to disclose an interest in terms of regulation C of this Chapter; or
- (b) when disclosing an interest in terms of regulation C of this Chapter, wilfully provides incorrect or misleading details, is guilty of misconduct.



Appendix B

Current Financial Disclosure Form

CONFIDENTIAL

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials)

(Postal address)

(Residential address)

(Position held)

(Name of Department)

Tel _____ Fax _____

I hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity

2. Directorships and partnerships

Name of corporate entity or partnership	Type of business	Amount of Remuneration

3. Remunerated work outside the public service. Must be sanctioned by your Executing Authority.

Name of corporate entity or partnership	Type of business	Amount of Remuneration

Name of Executing Authority _____ Portfolio _____

Signature of Executing Authority _____ Date _____

4. Consultancies and retainerships

Name of client	Nature	Type of business activity	Value of any benefits received

5. Sponsorships

Source of assistance/sponsorship	Description of assistance/sponsorship	Value of assistance/sponsorship

6. Gifts and hospitality from a source other than a family member

Description	Value	Source

7. Land and property

Description	Extent	Area	Value

SIGNATURE OF DESIGNATED EMPLOYEE

DATE: _____

PLACE: _____

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer _____

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer _____

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer _____

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God:"/ "I truly affirm that the contents of the declaration are true." The signature/mark of the deponent is affixed to the declaration in my presence.

Commissioner of Oath/Justice of the Peace

Full first names and surname: _____

(Block letters)

Designation (rank) _____ Ex Officio Republic of South Africa

Street address of institution

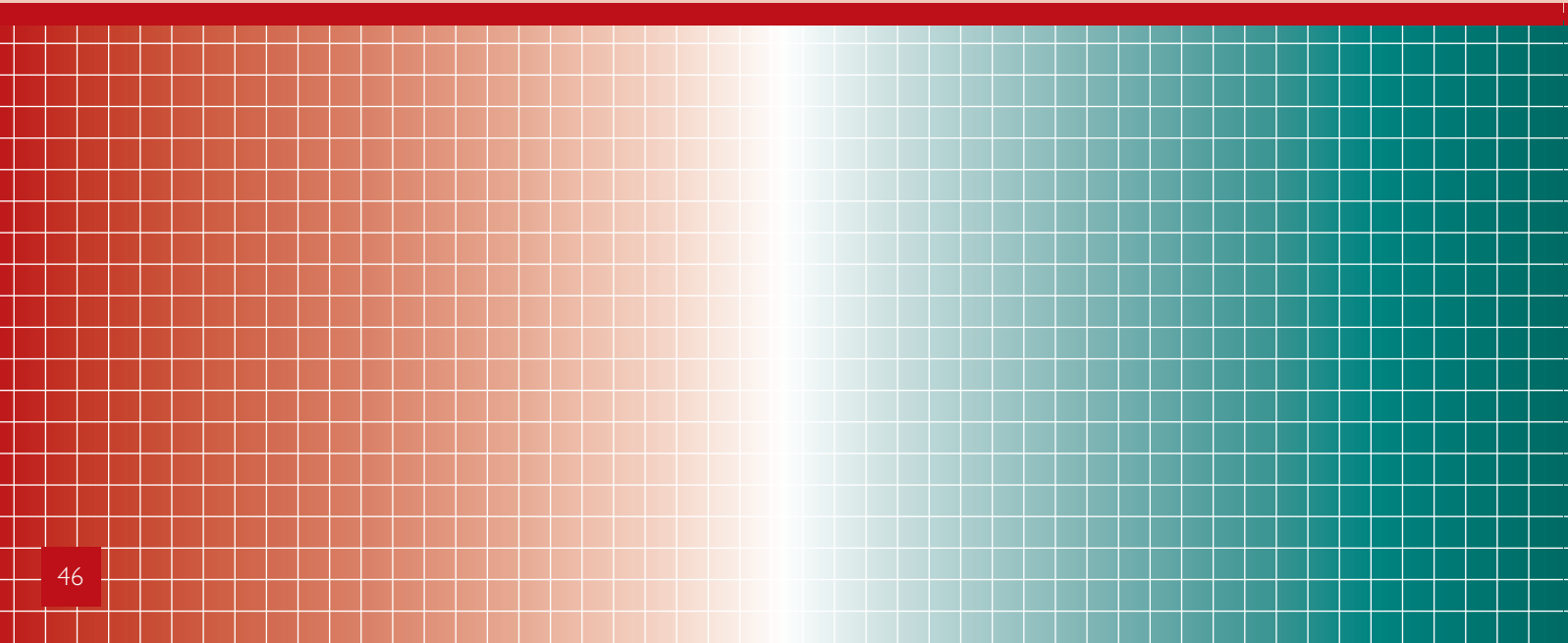
Date _____ Place _____

CONTENTS NOTED: EXECUTING AUTHORITY

DATE: _____

NOTE:

Remember that a copy of the completed form must be submitted by the EA to the Commission for purposes of recording it in the Register of Designated Employee's Interests.



Appendix C

Proposed Revised Financial Disclosure Form

PROPOSED REVISED FINANCIAL DISCLOSURE FORM

FINANCIAL DISCLOSURE FORM FOR THE FINANCIAL YEAR _____

I, the undersigned (surname and initials)

(Postal address)

(Residential address)

(Position held)

(Short Description of Job Functions)

(Name of Department)

Tel _____ Fax _____

I hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity

2. Directorships and partnerships

Should Directorships and Partnerships lead to any outside work being performed and compensation being received, prior approval for such work must be obtained of which a copy of such approval must be submitted with the completed financial disclosure form.

Name of corporate entity or partnership	Type of business	Amount of Remuneration

3. Remunerated work outside the public service.

Must be sanctioned by the Executing Authority or an officer authorized by an Executing Authority.

A copy of such approval must accompany the completed financial disclosure form.

Name of Employer	Type of Work	Amount of Remuneration

4. Consultancies and retainerships

Name of client	Nature	Type of business activity	Value of any benefits received

5. Sponsorships

Source of assistance/sponsorship	Description of assistance/sponsorship	Value of assistance/sponsorship

6. Gifts and hospitality from a source other than a family member

Description	Value	Source

7. Land and property

Description	Extent	Area	Value

SIGNATURE OF DESIGNATED EMPLOYEE

DATE: _____

PLACE: _____

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer _____

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer _____

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer _____

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God:"/ "I truly affirm that the contents of the declaration are true." The signature/mark of the deponent is affixed to the declaration in my presence.

Commissioner of Oath/Justice of the Peace

Full first names and surname: _____

(Block letters)

Designation (rank) _____ Ex Officio Republic of South Africa

Street address of institution

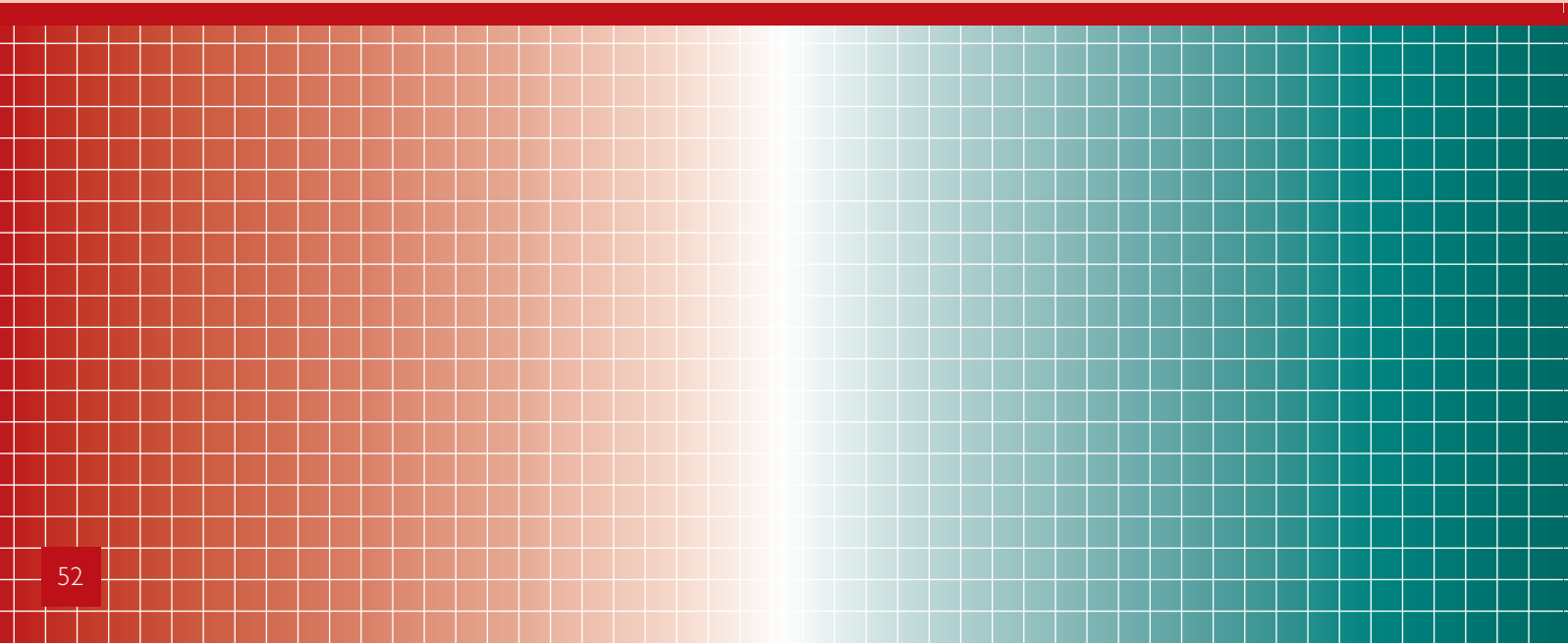
Date _____ Place _____

CONTENTS NOTED: EXECUTING AUTHORITY

DATE: _____

NOTE:

Remember that a copy of the completed form must be submitted by the EA to the Commission for purposes of recording it in the Register of Designated Employee's Interests.

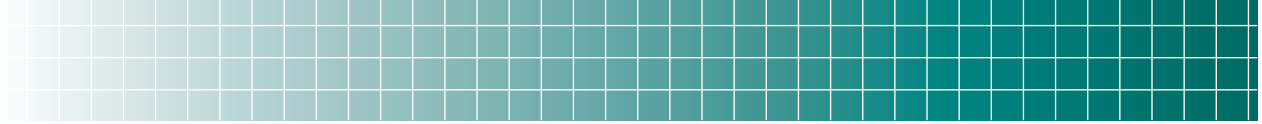


Appendix D

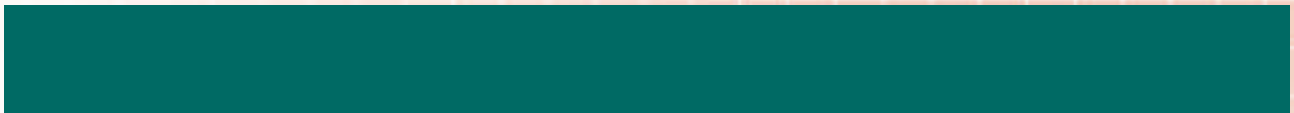
Financial Disclosure Forms Received and Outstanding: National Departments

FINANCIAL YEAR 1 APRIL 2004 – 31 MARCH 2005

NAME OF DEPARTMENT	NUMBER OF SMS MEMBERS	NO. OF FORMS RECEIVED	NO. OF FORMS OUTSTANDING
Department of Agriculture	43	37	6
Department of Arts and Culture	40	38	2
Department of Communications	65	39	26
Department of Correctional Services	154	74	80
Department of Defence	281	242	39
Department of Education	73	67	6
Department of Environmental Affairs and Tourism	73	61	12
Department of Foreign Affairs	235	230	5
Department of Government Communications and Information System	33	33	0
Department of Health	77	0	77
Department of Home Affairs	55	0	55
Department of Housing	29	0	29
Department of Justice and Constitutional Development	175	0	175
Department of Labour	67	0	67
Department of Land Affairs	74	69	5
Dept of Minerals and Energy	74	70	4
Department of Provincial and Local Government	78	78	0
Department of Public Enterprises	47	47	0
Department of Public Service and Administration	60	60	0
Department of Public Works	111	47	64
Department of Safety and Security (SAPS)	672	662	10
Dept of Science and Technology	53	53	0
Dept of Social Development	52	23	29
Dept of Sport and Recreation	4	4	0
Dept of Trade and Industry	147	144	3
Department of Transport	65	62	3

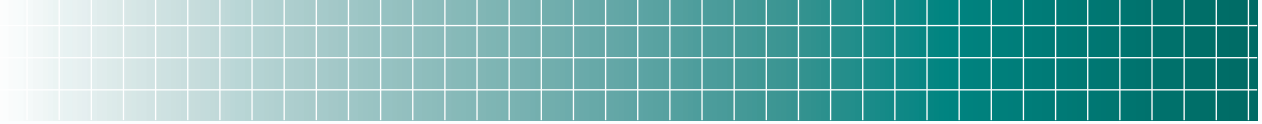


NAME OF DEPARTMENT	NUMBER OF SMS MEMBERS	NO. OF FORMS RECEIVED	NO. OF FORMS OUTSTANDING
Dept of Water Affairs & Forestry	125	118	7
National Intelligence Agency	Not available	Not available	Not available
National Treasury	201	201	0
Office of the Public Service Commission	42	42	0
Presidency (including Youth Comm)	59	51	8
South African Management and Development Institute	21	21	0
Statistics South Africa	94	94	0
Independent Complaints Directorate	13	13	0
South African Secret Service	Not Available	1	-
TOTAL	3374	2680	694

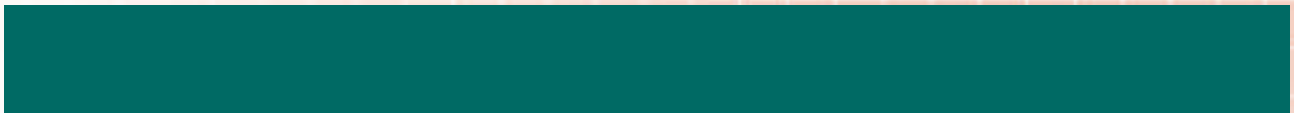


FINANCIAL YEAR 1 APRIL 2003 – 31 MARCH 2004

NAME OF DEPARTMENT	NUMBER OF SMS MEMBERS	NO. OF FORMS RECEIVED	NO. OF FORMS OUTSTANDING
Department of Agriculture	45	0	45
Department of Arts and Culture	28	0	28
Department of Communications	24	24	0
Department of Correctional Services	133	120	13
Department of Defence	275	233	42
Department of Education	75	71	4
Department of Environmental Affairs and Tourism	63	43	20
Department of Foreign Affairs	186	178	8
Department of Government Communications and Information System	27	20	7
Department of Health	77	65	12
Department of Home Affairs	39	0	39
Department of Housing	26	0	26
Department of Justice and Constitutional Development	153	0	153
Department of Labour	57	25	32
Department of Land Affairs	68	59	9
Dept of Minerals and Energy	64	64	0
Department of Provincial and Local Government	50	50	0
Department of Public Enterprises	26	26	0
Department of Public Service and Administration	59	51	8
Department of Public Works	91	49	42
Department of Safety and Security (SAPS)	625	625	0
Dept of Science and Technology	47	44	3
Dept of Social Development	45	26	19
Dept of Sport and Recreation	4	3	1
Dept of Trade and Industry	147	123	24
Department of Transport	41	41	0

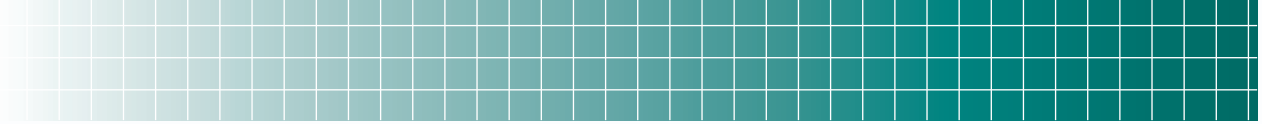


NAME OF DEPARTMENT	NUMBER OF SMS MEMBERS	NO. OF FORMS RECEIVED	NO. OF FORMS OUTSTANDING
Dept of Water Affairs & Forestry	128	112	16
National Intelligence Agency	Not available	Not available	Not available
National Treasury	178	178	0
Office of the Public Service Commission	37	37	0
Presidency (including Youth Comm)	60	44	16
South African Management and Development Institute	17	17	0
Statistics South Africa	93	93	0
Independent Complaints Directorate	12	12	0
South African Secret Service	Not available	Not available	Not available
TOTAL	3000	2433	567



FINANCIAL YEAR 1 APRIL 2002 – 31 MARCH 2003

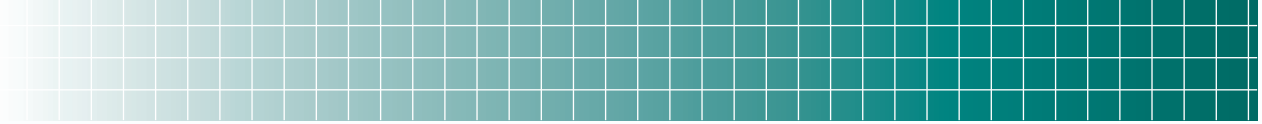
NAME OF DEPARTMENT	NUMBER OF SMS MEMBERS	NO. OF FORMS RECEIVED	NO. OF FORMS OUTSTANDING
Department of Agriculture	40	0	40
Department of Arts and Culture	15	15	0
Department of Communications	37	37	0
Department of Correctional Services	100	0	100
Department of Defence	275	275	0
Department of Education	58	58	0
Department of Environmental Affairs and Tourism	52	46	6
Department of Foreign Affairs	169	157	12
Department of Government Communications and Information System	25	24	1
Department of Health	71	0	71
Department of Home Affairs	39	37	2
Department of Housing	20	0	20
Department of Justice and Constitutional Development	160	133	27
Department of Labour	48	0	48
Department of Land Affairs	68	68	0
Department of Minerals and Energy	68	55	13
Department of Provincial and Local Government	35	35	0
Department of Public Enterprises	24	15	9
Department of Public Service and Administration	50	25	25
Department of Public Works	62	38	24
Department of Safety and Security (SAPS)	560	534	26
Dept of Science and Technology	36	36	0
Department of Social Development	33	33	0
Department of Sport and Recreation	5	5	0
Department of Trade and Industry	136	135	1
Department of Transport	40	40	0



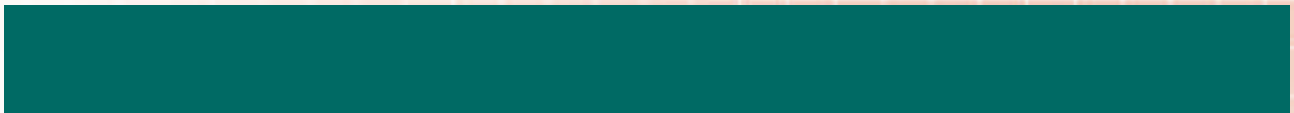
NAME OF DEPARTMENT	NUMBER OF SMS MEMBERS	NO. OF FORMS RECEIVED	NO. OF FORMS OUTSTANDING
Department of Water Affairs and Forestry	104	92	12
National Intelligence Agency	Not available	Not available	Not available
National Treasury	156	156	0
South African Management and Development Institute	14	14	0
Statistics South Africa	30	1	29
Office of the Public Service Commission	36	36	0
Presidency (including Youth Comm)	51	33	18
Independent Complaints Directorate	11	11	0
South African Secret Service	Not available	Not available	Not available
TOTAL	2 628	2 144	484

FINANCIAL YEAR 1 APRIL 2001 – 31 MARCH 2002

NAME OF DEPARTMENT	NUMBER OF SMS MEMBERS	NO. OF FORMS RECEIVED	NO. OF FORMS OUTSTANDING
Department of Agriculture	40	0	40
Department of Arts, Culture, Science and Technology	34	31	3
Department of Communications	35	35	0
Department of Correctional Services	100	82	18
Department of Defence	275	275	0
Department of Education	59	59	0
Department of Environmental Affairs and Tourism	52	33	19
Department of Foreign Affairs	169	151	18
Department of Government Communications and Information System	25	22	3
Department of Health	71	0	71
Department of Home Affairs	39	39	0 (including govt printer)
Department of Housing	20	20	0
Department of Justice and Constitutional Development	136	122	14
Department of Labour	48	28	20
Department of Land Affairs	65	64	1
Department of Minerals and Energy	63	61	2
Department of Provincial and Local Government	31	31	0
Department of Public Enterprises	24	24	0
Department of Public Service and Administration	50	38	12
Department of Public Works	62	26	36
Department of Safety and Security (SAPS)	538	538	0
Department of Social Development	33	33	0
Department of Sport and Recreation	5	5	0
Department of Trade and Industry	116	89	27
Department of Transport	30	30	0
Department of Water Affairs and Forestry	104	99	5

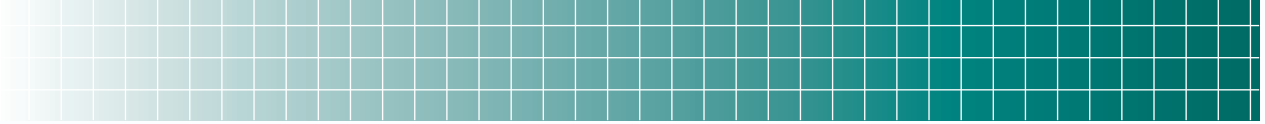


NAME OF DEPARTMENT	NUMBER OF SMS MEMBERS	NO. OF FORMS RECEIVED	NO. OF FORMS OUTSTANDING
National Intelligence Agency	Not available	Not available	Not available
National Treasury	128	128	0
South African Management and Development Institute	14	14	0
Statistics South Africa	30	26	4
Office of the Public Service Commission	34	34	0
Presidency (including Youth Comm)	51	44	7
Independent Complaints Directorate	10	10	0
South African Secret Service	Not available	Not available	Not available
TOTAL	2 491	2 191	300

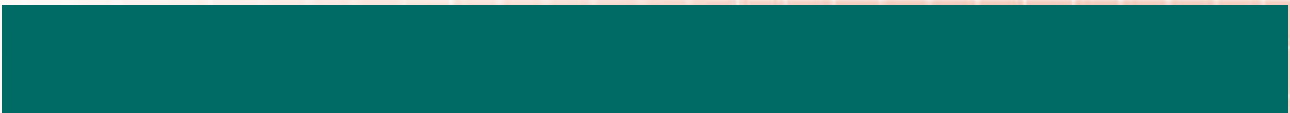


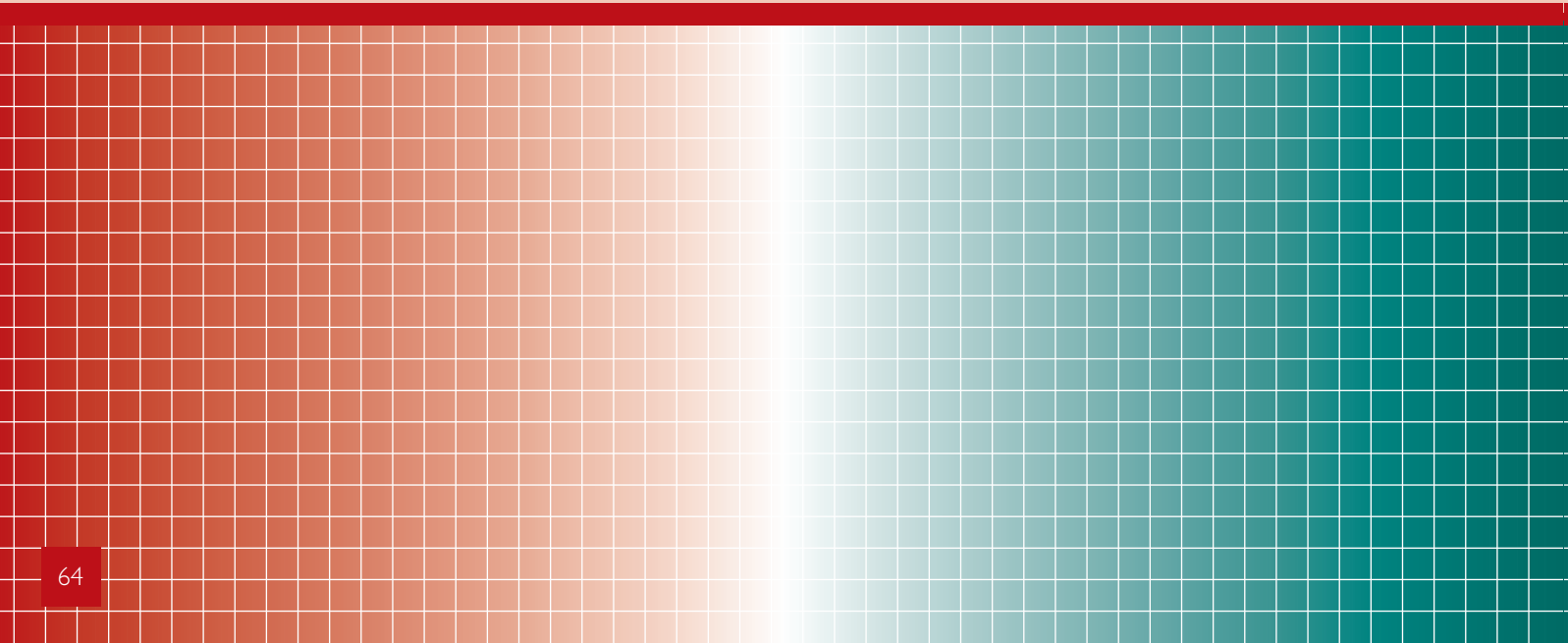
FINANCIAL YEAR 1 APRIL 2000 – 31 MARCH 2001

NAME OF DEPARTMENT	NUMBER OF SMS MEMBERS	NO. OF FORMS RECEIVED	NO. OF FORMS OUTSTANDING
Department of Agriculture	29	28	1
Department of Arts, Culture, Science and Technology	23	23	0
Department of Communications	32	12	20
Department of Correctional Services	70	0	70
Department of Defence	260	2	258
Department of Education	45	34	11
Department of Environmental Affairs and Tourism	35	3	32
Department of Foreign Affairs	152	152	0
Department of Government Communications and Information System	24	0	24
Department of Health	44	0	44
Department of Home Affairs	31	31	0
Department of Housing	15	0	15
Department of Justice and Constitutional Development (including NPA)	266	238	28
Department of Labour	42	23	19
Department of Land Affairs	34	0	34
Department of Minerals and Energy	50	39	11
Department of Provincial and Local Government	26	26	0
Department of Public Enterprises	19	1	18
Department of Public Service and Administration	41	33	8
Department of Public Works	59	23	36
Department of Safety and Security (SAPS)	555	13	542
Department of Social Development	23	23	0
Department of Sport and Recreation	4	4	0
Department of Trade and Industry	50	5	45
Department of Transport	24	0	24
Department of Water Affairs and Forestry	59	3	56



NAME OF DEPARTMENT	NUMBER OF SMS MEMBERS	NO. OF FORMS RECEIVED	NO. OF FORMS OUTSTANDING
National Intelligence Agency	Not available	Not available	Not available
National Treasury	85	85	0
South African Management and Development Institute	16	13	3
Statistics South Africa	18	18	0
Office of the Public Service Commission	35	35	0
Presidency (including Youth Comm)	19	0	19
Independent Complaints Directorate	10	9	1
South African Secret Service	Not available	Not available	Not available
TOTAL	2 195	876	1 319





Appendix E

Financial Disclosure Forms Received and Outstanding: Provincial Departments

EASTERN CAPE PROVINCE
FINANCIAL YEARS 2000/2001 TO 2004/2005

NAME OF DEPARTMENT		2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Provincial Administration: Eastern Cape (Office of the Premier)	No of SMS Members	13	31	31	31	33
	Disclosures Received	13	22	11	6	24
	Disclosures Outstanding	0	9	20	25	9
Department of Agriculture	No of SMS Members	11	15	15	18	20
	Disclosures Received	9	0	14	13	18
	Disclosures Outstanding	2	15	1	5	2
Department of Economic Affairs, Environment and Tourism	No of SMS Members	8	12	12	17	19
	Disclosures Received	5	1	1	0	19
	Disclosures Outstanding	3	11	11	17	0
Department of Education	No of SMS Members	14	42	42	63	63
	Disclosures Received	0	0	0	0	62
	Disclosures Outstanding	14	42	42	63	1
Provincial Treasury	No of SMS Members	8	13	13	23	24
	Disclosures Received	8	11	13	21	22
	Disclosures Outstanding	0	2	0	2	2
Department of Health	No of SMS Members	3	50	50	119	139
	Disclosures Received	0	14	28	0	40
	Disclosures Outstanding	3	36	22	119	99
Department of Housing and Local Government	No of SMS Members	15	13	13	14	20
	Disclosures Received	0	5	2	5	7
	Disclosures Outstanding	15	8	11	9	13
Department of Public Works and Roads	No of SMS Members	12	17	17	20	17
	Disclosures Received	6	9	7	16	17
	Disclosures Outstanding	6	8	10	4	0
Department of Safety and Liaison	No of SMS Members	1	1	2	3	6
	Disclosures Received	1	1	2	1	4
	Disclosures Outstanding	0	0	0	2	2
Department of Sports, Arts, Culture and Recreation	No of SMS Members	4	9	9	13	23
	Disclosures Received	0	8	0	12	23
	Disclosures Outstanding	4	1	9	1	0
Department of Transport	No of SMS Members	11	11	11	21	23
	Disclosures Received	11	4	8	10	23
	Disclosures Outstanding	0	7	3	11	0
Dept of Social Development	No of SMS Members	14	26	26	21	27
	Disclosures Received	10	25	0	12	25
	Disclosures Outstanding	4	1	26	9	2

FREE STATE PROVINCE
FINANCIAL YEARS 2000/2001 TO 2004/2005

NAME OF DEPARTMENT		2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Provincial Administration: Free State (Office of the Premier)	No of SMS Members	13	15	15	18	22
	Disclosures Received	0	0	0	15	19
	Disclosures Outstanding	13	15	15	3	3
Department of Agriculture	No of SMS Members	2	5	8	10	18
	Disclosures Received	0	5	8	0	12
	Disclosures Outstanding	2	0	0	10	6
Department of Education	No of SMS Members	15	22	22	26	29
	Disclosures Received	15	17	21	0	0
	Disclosures Outstanding	0	5	1	26	29
Department of Tourism, Environmental and Economic Affairs	No of SMS Members	3	13	13	13	11
	Disclosures Received	0	11	0	0	0
	Disclosures Outstanding	3	2	13	13	11
Department of Finance and Expenditure (also known as Provincial Treasury)	No of SMS Members	5	4	4	15	16
	Disclosures Received	0	4	0	14	13
	Disclosures Outstanding	5	0	4	1	3
Department of Health	No of SMS Members	13	96	96	104	108
	Disclosures Received	0	19	89	82	54
	Disclosures Outstanding	13	77	7	22	54
Department of Local Government and Housing	No of SMS Members	7	8	8	12	21
	Disclosures Received	7	1	0	0	0
	Disclosures Outstanding	0	7	8	12	21
Department of Public Works, Roads and Transport	No of SMS Members	11	10	12	17	16
	Disclosures Received	10	10	12	17	15
	Disclosures Outstanding	1	0	0	0	1
Department of Social Welfare or Social Development	No of SMS Members	6	9	10	17	18
	Disclosures Received	6	9	10	11	18
	Disclosures Outstanding	0	0	0	6	0
Department of Safety, Security and Liaison	No of SMS Members	3	4	4	6	6
	Disclosures Received	0	4	0	6	0
	Disclosures Outstanding	3	0	4	0	6
Department of Sport, Arts, Culture, Science and Technology	No of SMS Members	2	4	4	5	10
	Disclosures Received	0	4	0	4	4
	Disclosures Outstanding	2	0	4	1	6

GAUTENG PROVINCE
FINANCIAL YEARS 2000/2001 TO 2004/2005

NAME OF DEPARTMENT		2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Provincial Administration: Gauteng (Office of the Premier)	No of SMS Members	15	19	19	22	19
	Disclosures Received	13	19	19	21	18
	Disclosures Outstanding	2	0	0	1	1
Department of Agriculture, Conservation & Environment	No of SMS Members	14	14	22	21	25
	Disclosures Received	14	13	22	21	24
	Disclosures Outstanding	0	1	0	0	1
Department of Development Planning and Local Government	No of SMS Members	12	10	10	9	17
	Disclosures Received	12	10	3	0	9
	Disclosures Outstanding	0	0	7	9	8
Gauteng Shared Services Centre (previously included in Finance and Economic Affairs)	No of SMS Members	0	0	31	27	72
	Disclosures Received	0	0	31	0	70
	Disclosures Outstanding	0	0	0	27	2
Finance and Economic Affairs	No of SMS Members	29	49	18	31	41
	Disclosures Received	28	40	18	25	41
	Disclosures Outstanding	1	9	0	6	0
Department of Education	No of SMS Members	43	42	42	48	40
	Disclosures Received	39	42	37	3	22
	Disclosures Outstanding	4	0	5	45	18
Department of Health	No of SMS Members	29	230	230	266	283
	Disclosures Received	13	191	216	171	283
	Disclosures Outstanding	16	39	14	95	0
Department of Housing	No of SMS Members	14	21	21	28	35
	Disclosures Received	0	12	0	18	32
	Disclosures Outstanding	14	9	21	10	3
Department of Transport and Public Works	No of SMS Members	24	31	29	32	47
	Disclosures Received	0	31	27	1	43
	Disclosures Outstanding	24	0	2	31	4
Department of Safety and Liaison (Community Safety)	No of SMS Members	5	6	6	7	14
	Disclosures Received	0	0	0	0	14
	Disclosures Outstanding	5	6	6	7	0
Department of Social Services and Population Development	No of SMS Members	8	9	10	25	27
	Disclosures Received	0	9	10	20	25
	Disclosures Outstanding	8	0	0	5	2
Department of Sport, Recreation, Arts and Culture	No of SMS Members	5	6	7	12	12
	Disclosures Received	0	6	7	1	11
	Disclosures Outstanding	5	0	0	11	1

KWAZULU-NATAL PROVINCE
FINANCIAL YEARS 2000/2001 TO 2004/2005

NAME OF DEPARTMENT		2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Provincial Administration: KZN (Office of the Premier)	No of SMS Members	21	29	29	34	46
	Disclosures Received	0	26	23	26	31
	Disclosures Outstanding	21	3	6	8	15
Department of Agriculture and Environmental Affairs	No of SMS Members	16	18	18	25	29
	Disclosures Received	11	8	10	0	0
	Disclosures Outstanding	5	10	8	25	29
Department of Economic Development	No of SMS Members	10	13	13	14	16
	Disclosures Received	0	9	9	0	16
	Disclosures Outstanding	10	4	4	14	0
Department of Education (also known as Education and Culture in previous years)	No of SMS Members	48	49	49	83	66
	Disclosures Received	22	30	0	0	59
	Disclosures Outstanding	26	19	49	83	7
Department of Arts and Culture (was with the dept of Education in previous years)	No of SMS Members	0	0	0	0	15
	Disclosures Received	0	0	0	0	0
	Disclosures Outstanding	0	0	0	0	15
Provincial Treasury	No of SMS Members	17	21	22	22	22
	Disclosures Received	17	21	22	21	19
	Disclosures Outstanding	0	0	0	1	3
Department of Health	No of SMS Members	26	99	99	139	160
	Disclosures Received	11	68	44	29	92
	Disclosures Outstanding	15	31	55	109	68
Department of Housing	No of SMS Members	14	16	16	17	13
	Disclosures Received	14	12	2	4	0
	Disclosures Outstanding	0	4	14	13	13
Department of Royal Household	No of SMS Members	1	4	4	3	2
	Disclosures Received	0	3	0	0	0
	Disclosures Outstanding	1	1	4	3	2
Department of Traditional and Local Government Affairs	No of SMS Members	28	29	30	31	36
	Disclosures Received	28	29	30	0	32
	Disclosures Outstanding	0	0	0	31	4
Department of Transport	No of SMS Members	15	21	24	29	33
	Disclosures Received	0	21	24	29	33
	Disclosures Outstanding	15	0	0	0	0
Department of Welfare and Population Development	No of SMS Members	8	14	14	25	33
	Disclosures Received	2	13	7	13	23
	Disclosures Outstanding	6	1	7	12	10
Department of Works	No of SMS Members	11	11	11	21	19
	Disclosures Received	7	8	0	0	11
	Disclosures Outstanding	4	3	11	21	8
Dept of Safety and Security (not established in previous years)	No of SMS Members	0	0	0	5	4
	Disclosures Received	0	0	0	0	4
	Disclosures Outstanding	0	0	0	5	0
Department of Sport and Recreation (not established in previous years)	No of SMS Members	0	0	0	0	6
	Disclosures Received	0	0	0	0	6
	Disclosures Outstanding	0	0	0	0	0

LIMPOPO PROVINCE
FINANCIAL YEARS 2000/2001 TO 2004/2005

NAME OF DEPARTMENT		2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Provincial Administration: Limpopo (Office of the Premier)	No of SMS Members	25	29	29	36	46
	Disclosures Received	25	20	21	29	42
	Disclosures Outstanding	0	9	8	7	4
Department of Agriculture	No of SMS Members	11	11	16	26	33
	Disclosures Received	11	11	15	25	20
	Disclosures Outstanding	0	0	1	1	13
Department of Education	No of SMS Members	22	20	28	37	35
	Disclosures Received	22	13	28	32	35
	Disclosures Outstanding	0	7	0	5	0
Department of Finance, Economic Affairs and Tourism	No of SMS Members	19	21	21	57	60
	Disclosures Received	18	10	14	50	24
	Disclosures Outstanding	1	11	7	7	36
Department of Health and Welfare	No of SMS Members	22	36	60	86	89
	Disclosures Received	17	31	55	77	78
	Disclosures Outstanding	5	5	5	9	11
Department of Local Government and Housing	No of SMS Members	10	15	18	21	22
	Disclosures Received	10	9	18	17	12
	Disclosures Outstanding	0	6	0	4	10
Department of Public Works	No of SMS Members	13	19	26	28	29
	Disclosures Received	12	19	26	28	29
	Disclosures Outstanding	1	0	0	0	0
Department of Safety, Security and Liaison	No of SMS Members	3	2	2	7	5
	Disclosures Received	3	2	2	7	0
	Disclosures Outstanding	0	0	0	0	5
Department of Transport	No of SMS Members	6	5	5	22	27
	Disclosures Received	1	4	0	20	0
	Disclosures Outstanding	5	1	5	2	27
Department of Sport, Arts and Culture	No of SMS Members	8	6	6	12	11
	Disclosures Received	8	6	6	10	9
	Disclosures Outstanding	0	0	0	2	2

MPUMALANGA PROVINCE
FINANCIAL YEARS 2000/2001 TO 2004/2005

NAME OF DEPARTMENT		2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Provincial Administration: Mpumalanga (Office of Premier)	No of SMS Members	22	35	35	32	31
	Disclosures Received	0	24	26	29	29
	Disclosures Outstanding	22	11	9	3	2
Department of Agriculture, Conservation and Environment	No of SMS Members	13	14	14	13	14
	Disclosures Received	0	10	14	13	14
	Disclosures Outstanding	13	4	0	0	0
Department of Education	No of SMS Members	8	15	19	19	23
	Disclosures Received	0	13	18	19	22
	Disclosures Outstanding	8	2	1	0	1
Department of Finance (was with Economic Dev and Planning in earlier years)	No of SMS Members	0	0	0	0	10
	Disclosures Received	0	0	0	0	0
	Disclosures Outstanding	0	0	0	0	10
Department of Economic Development and Planning (including the dept of Finance in previous years)	No of SMS Members	11	12	15	17	15
	Disclosures Received	0	10	15	14	15
	Disclosures Outstanding	11	2	0	3	0
Department of Health and Social Services	No of SMS Members	10	13	14	22	33
	Disclosures Received	4	2	14	21	29
	Disclosures Outstanding	6	11	0	1	4
Department of Local Govern- ment and Housing (amal- gamated with Housing and Land Administration)	No of SMS Members	11	10	10	19	13
	Disclosures Received	0	5	10	16	5
	Disclosures Outstanding	11	5	0	3	8
Department of Public Works	No of SMS Members	17	16	18	10	17
	Disclosures Received	17	16	18	9	17
	Disclosures Outstanding	0	0	0	1	0
Dept of Roads and Transport (amalgamated with Public Works in previous years)	No of SMS Members	0	0	0	13	23
	Disclosures Received	0	0	0	13	9
	Disclosures Outstanding	0	0	0	0	14
Department of Safety and Security	No of SMS Members	6	5	5	3	3
	Disclosures Received	6	5	4	3	0
	Disclosures Outstanding	0	0	1	0	3
Department of Culture, Sport and Recreation	No of SMS Members	4	5	6	6	7
	Disclosures Received	4	5	6	6	7
	Disclosures Outstanding	0	0	0	0	0
Department of Social Services and Population Development	No of SMS Members	7	8	14	13	0
	Disclosures Received	7	6	14	12	0
	Disclosures Outstanding	0	1	0	1	0
Dept of Housing and Land Administration (amalgamated into Local Govt and Housing in later years)	No of SMS Members	0	5	8	0	0
	Disclosures Received	0	3	8	0	0
	Disclosures Outstanding	0	2	0	0	0

NORTHERN CAPE PROVINCE FINANCIAL YEARS 2000/2001 TO 2004/2005

NAME OF DEPARTMENT		2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Provincial Administration: Northern Cape (Office of Premier)	No of SMS Members	7	11	11	12	17
	Disclosures Received	0	8	3	10	13
	Disclosures Outstanding	7	3	8	2	4
Department of Agriculture, and Land Reform	No of SMS Members	3	3	4	6	6
	Disclosures Received	0	3	4	6	6
	Disclosures Outstanding	3	0	0	0	0
Department of Economic Affairs	No of SMS Members	2	2	2	3	9
	Disclosures Received	0	0	0	0	9
	Disclosures Outstanding	2	2	2	3	0
Department of Education	No of SMS Members	6	12	12	11	15
	Disclosures Received	6	6	1	11	12
	Disclosures Outstanding	0	6	11	0	3
Department of Finance	No of SMS Members	3	5	5	4	5
	Disclosures Received	3	5	4	3	0
	Disclosures Outstanding	0	0	1	1	5
Department of Health	No of SMS Members	5	14	14	21	25
	Disclosures Received	0	12	0	20	1
	Disclosures Outstanding	5	2	14	1	24
Department of Housing and Local Government	No of SMS Members	4	5	5	11	12
	Disclosures Received	0	5	0	11	11
	Disclosures Outstanding	4	0	5	0	1
Department of Provincial Safety and Liaison	No of SMS Members	1	0	0	3	5
	Disclosures Received	0	0	0	2	5
	Disclosures Outstanding	1	0	0	1	0
Department of Social Services and Population Development	No of SMS Members	2	5	5	5	5
	Disclosures Received	0	4	0	5	5
	Disclosures Outstanding	2	1	5	0	0
Department of Sport, Arts and Culture	No of SMS Members	1	3	3	4	4
	Disclosures Received	0	3	0	2	0
	Disclosures Outstanding	1	0	3	2	4
Department of Transport, Roads and Public Works	No of SMS Members	7	9	9	8	11
	Disclosures Received	5	9	0	7	10
	Disclosures Outstanding	2	0	9	1	1
Department of Tourism, Environment and conserva- tion (was with Agriculture in previous years)	No of SMS Members	0	0	0	2	5
	Disclosures Received	0	0	0	2	1
	Disclosures Outstanding	0	0	0	0	4

NORTH WEST PROVINCE
FINANCIAL YEARS 2000/2001 TO 2004/2005

NAME OF DEPARTMENT		2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Provincial Administration: North West (Office of the Premier) (Linked with Traditional and Corporate Affairs)	No of SMS Members	0	21	24	34	34
	Disclosures Received	12	19	24	34	34
	Disclosures Outstanding	8	2	0	0	0
Department of Agriculture, Conservation, Environment and Tourism	No of SMS Members	14	15	16	21	22
	Disclosures Received	14	14	16	16	20
	Disclosures Outstanding	0	1	0	5	2
Department of Education	No of SMS Members	8	16	16	28	39
	Disclosures Received	0	15	0	28	35
	Disclosures Outstanding	8	1	16	0	4
Department of Finance and Economic Development	No of SMS Members	8	12	12	25	37
	Disclosures Received	4	12	8	21	33
	Disclosures Outstanding	4	0	4	4	4
Department of Health	No of SMS Members	13	20	24	39	53
	Disclosures Received	13	20	20	34	51
	Disclosures Outstanding	0	0	4	5	2
Department of Developmental Local Government and Housing	No of SMS Members	12	10	8	13	20
	Disclosures Received	12	10	8	13	19
	Disclosures Outstanding	0	0	0	0	1
Department of Transport and Roads	No of SMS Members	9	9	9	15	16
	Disclosures Received	1	8	8	13	15
	Disclosures Outstanding	8	1	1	2	1
Department of Public Works	No of SMS Members	11	9	9	18	17
	Disclosures Received	0	9	0	18	17
	Disclosures Outstanding	11	0	9	0	0
Department of Safety and Liaison	No of SMS Members	1	3	3	7	7
	Disclosures Received	0	2	3	7	7
	Disclosures Outstanding	1	1	0	0	0
Department of Social Development	No of SMS Members	3	13	19	21	21
	Disclosures Received	0	6	19	19	20
	Disclosures Outstanding	3	7	0	2	1
Department of Sport, Arts and Culture (was included in Social Services in earlier years)	No of SMS Members	0	0	0	0	3
	Disclosures Received	0	0	0	0	3
	Disclosures Outstanding	0	0	0	0	0
Department of Finance (was included with Economic Development in later years)	No of SMS Members	7	13	13	0	0
	Disclosures Received	0	13	0	0	0
	Disclosures Outstanding	7	0	13	0	0

WESTERN CAPE PROVINCE

FINANCIAL YEARS 2000/2001 TO 2004/2005

NAME OF DEPARTMENT		2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Provincial Administration: Western Cape (Office of the Premier)	No of SMS Members	29	30	28	33	34
	Disclosures Received	29	30	28	29	30
	Disclosures Outstanding	0	0	0	4	4
Department of Community Safety	No of SMS Members	7	11	10	9	12
	Disclosures Received	7	11	10	9	11
	Disclosures Outstanding	0	0	0	0	1
Department of Agriculture (for 2000/2001 see Dept of Economic Dev and Tourism)	No of SMS Members	0	5	9	9	10
	Disclosures Received	0	5	9	0	9
	Disclosures Outstanding	0	0	0	9	1
Department of Education	No of SMS Members	34	35	34	41	41
	Disclosures Received	34	35	34	41	41
	Disclosures Outstanding	0	0	0	0	0
Dept of Environmental Affairs and Development Planning	No of SMS Members	13	11	10	10	12
	Disclosures Received	12	11	10	10	12
	Disclosures Outstanding	1	0	0	0	0
Dept of Economic Develop- ment and Tourism	No of SMS Members	33	12	9	9	8
	Disclosures Received	29	12	9	9	0
	Disclosures Outstanding	4	0	0	0	8
Department of Cultural Affairs and Sport (was included in Economic Dev in earlier years)	No of SMS Members	0	0	6	7	9
	Disclosures Received	0	0	6	0	9
	Disclosures Outstanding	0	0	0	7	0
Provincial Treasury	No of SMS Members	11	11	11	14	14
	Disclosures Received	11	11	9	14	14
	Disclosures Outstanding	0	0	2	0	0
Department of Health	No of SMS Members	61	103	103	108	97
	Disclosures Received	61	101	83	96	96
	Disclosures Outstanding	0	2	20	12	1
Department of Housing (included Local Government in later years)	No of SMS Members	14	14	7	7	22
	Disclosures Received	14	14	7	7	22
	Disclosures Outstanding	0	0	0	0	0
Department of Social Services and Poverty Alleviation	No of SMS Members	10	9	9	13	13
	Disclosures Received	9	9	9	13	0
	Disclosures Outstanding	1	0	0	0	13
Department of Transport and Public Works	No of SMS Members	0	8	24	21	28
	Disclosures Received	0	18	24	21	26
	Disclosures Outstanding	0	0	0	0	2
Department of Local Govern- ment (included in Dept of Housing in later years). See Housing for 2001/2002	No of SMS Members	0	0	5	7	0
	Disclosures Received	0	0	5	7	0
	Disclosures Outstanding	0	0	0	0	0

Appendix F

List of References



1. PUBLICATIONS

Government Gazette No. 22308: 25 May 2001.

Independent Commission Against Corruption: Managing Conflicts of Interest in the Public Sector (Guidelines): ICAC, Queensland, 2004.

Independent Commission Against Corruption: Managing Conflicts of Interest in the Public Sector (Toolkit): ICAC, Queensland, 2004.

Mark Davies, Fostering Transparency and Preventing Corruption in Jamaica. Carter Center 2002. Municipal Systems Act 2000.

Organization for Economic Co-operation and Development: Managing Conflicts of Interest in the Public Service (Policy Brief): 2005: Paris.

Public Service Regulations: Chapter 3

Report of the Auditor-General: Declarations of Interests by Ministers, Deputy Ministers and Government Employees, 2006.

Report of the Public Service Commission: Implementing Financial Disclosure Requirements, 2004.

Report of the Public Service Commission: Managing Conflicts of Interest in the Public Service, 2006.

SMS Handbook: 2003 Edition: Department of Public Service and Administration

2. ACTS

Constitution of the Republic of South Africa, Act No. 108 of 1996 (South Africa).

Public Service Commission Act, No. 46 of 1997 (South Africa).

Public Service Act, No. 103 of 1994 (South Africa).



NOTES:

[illegible]

78

PUBLIC SERVICE COMMISSION REGIONAL OFFICES

<p>Eastern Cape</p> <p>91 Alexandra Road King William's Town 5601</p> <p>Tel: (043) 643-4704 Fax: (043) 642-1371</p>	<p>Free State</p> <p>62 Fedsure Building 3rd Floor, St Andrews Street Bloemfontein, 9301</p> <p>Tel: (051) 448-8696 Fax: (051) 448-4135</p>
<p>Gauteng</p> <p>Ten Sixty-Six Building 16th Floor, 35 Pritchard Street Johannesburg 2001</p> <p>Tel: (011) 833-5721 Fax: (011) 834-1200</p>	<p>KwaZulu-Natal</p> <p>262 Brasford House cnr Commercial & Longmarket Streets Pietermaritzburg 3200</p> <p>Tel: (033) 345-9998 Fax (033) 345-8505</p>
<p>Mpumalanga</p> <p>19 Russel Street Nelspruit 1200</p> <p>Tel: (013) 755-4070 Fax: (013) 752-5814</p>	<p>Northern Cape</p> <p>1st Floor, Woolworths Building C/o Lennox and Chapel streets Kimberley 8300</p> <p>Tel (053) 832-6222 Fax (053) 832-6225</p>
<p>Limpopo</p> <p>Kleingeld Trust Building 81 Biccard Street Polokwane 699</p> <p>Tel (015) 297-6284 Fax (015) 297-6276</p>	<p>North-West</p> <p>Mmabatho Post Office Building Ground Floor University Drive Mmabatho 2735</p> <p>Tel: (018) 384-1000 Fax: (018) 384-1012</p>
<p>Western Cape</p> <p>Sanlam Golden Acre Building 21st Floor, Adderley Street Cape Town 8000</p> <p>Tel (021) 421 3980 Fax (021) 421 4060</p>	



Republic of South Africa

Public Service Commission

Tel: +27 12 352-1000
Fax: +27 12 325-8382
Website: www.psc.gov.za

National Anti-Corruption Hotline for the Public Service: 0800 701 701