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WU 29 PC Public Service




**PRESENTATION TO THE PORTFOLIO COMMITTEE
ON PUBLIC SERVICE AND ADMINISTRATION/
PERFORMANCE MONITORING & EVALUATION**

**SUCCESSSES AND CHALLENGES OF THE
NATIONAL ANTI-CORRUPTION
HOTLINE**

19 NOVEMBER 2014

OUTLINE OF PRESENTATION

- Introduction
- Objectives of the National Anti-Corruption Hotline (NACH)
- Cases of alleged corruption reported to the NACH
- Status of NACH cases as at 30 October 2014
- Disciplinary process concluded and sanctions implemented as at 31 March 2014
- Current guidelines on the provision of feedback and the review of the provision of feedback
- Challenges experienced through the management of the NACH
- Possible solutions
- Conclusion



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INTRODUCTION

- In terms of section 196 of the Constitution, the Public Service Commission (PSC) is mandated to promote the values and principles governing public administration.
- One of these values {Section 195 (1) (a)} is to promote and maintain a **high standard of professional ethics** in the public service.
- In pursuance of this mandate the PSC has been contributing to the prevention of corruption in the Public Service.
- On 14 August 2003 Cabinet approved (Cabinet Memorandum 45 of August 2003) the establishment of one NACH for the Public Service, and the PSC was mandated to manage the Hotline.
- The PSC was seen as the ideal institution for locating the NACH given its **independence** and its **oversight responsibilities** over the public service.

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INTRODUCTION (2)

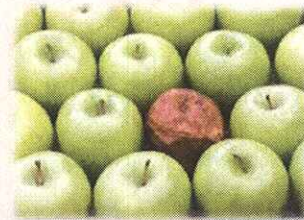
- Cases of alleged corruption received from the NACH are forwarded to national and provincial departments, as well as public entities for **further handling and investigation**.
- Departments are afforded an opportunity to provide **feedback** to the PSC on progress made with the investigations.
- Urgent/sensitive cases are referred within 24 Hours.
- In terms of this protocol the feedback should be submitted to the PSC within 40 days after receipt of the PSC's request.
- The PSC investigates certain categories of cases of alleged corruption reported to the NACH.
- Cases of alleged corruption received from the NACH are reported to FOSAD on a monthly basis to enhance the management of these cases.

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THE OBJECTIVES OF THE NACH

The objectives of the NACH are to:

- **deter potential corruption** by making all employees and members of the public aware that the Public Service is not a “soft target”.
- **detect incidents** of corruption through encouraging whistle blowers to report incidents which they witness occurring in the Public Service.
- ensure the **successful investigation** of alleged corruption and to provide **feedback** to whistle-blowers.
- enable callers to report corruption **anonymously** thus encouraging whistle-blowing.



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CASES OF ALLEGED CORRUPTION REPORTED TO THE NACH AS AT 30 OCTOBER 2014

- **261788** calls have been registered on the NACH as at 30 October 2014 (these were enquiry, request for feedback, advice, dropped calls, wrong numbers, etc).
- Out of these calls, the PSC generated **21 397** reports for possible investigation.
- Out of the 21 397 reports, the PSC referred **14 992** cases to national and provincial departments and public entities for investigation.
- Since 01 September 2004 to 30 October 2014, feedback for both National and Provincial departments and Public Entities was received on **10 802** (72%) cases.
- **8 119** (54%) cases were finalized and closed.

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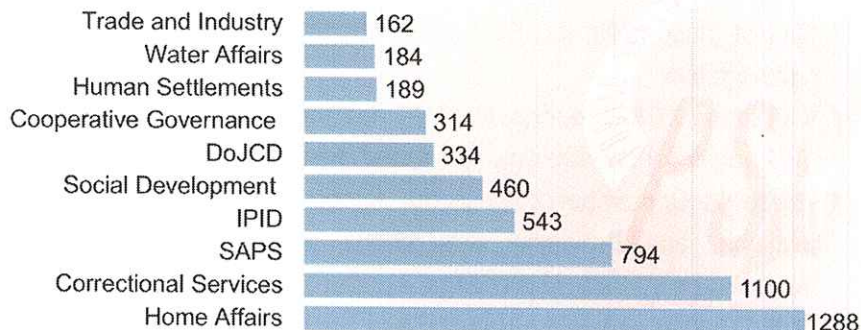
CASES OF ALLEGED CORRUPTION REPORTED TO THE NACH AS AT 30 OCTOBER 2014 (2)

- Currently, there are **6873** outstanding cases on the CMS. This number includes **841** cases reported during 2014/2015 financial year, whilst some of the cases date back to 2005.
- As noted above, there is a huge volume of new cases reported to the NACH on a daily basis which had an impact on the closure of cases on the CMS of the NACH.

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CASES OF ALLEGED CORRUPTION REPORTED TO THE NACH AS AT 30 OCTOBER 2014 (3)

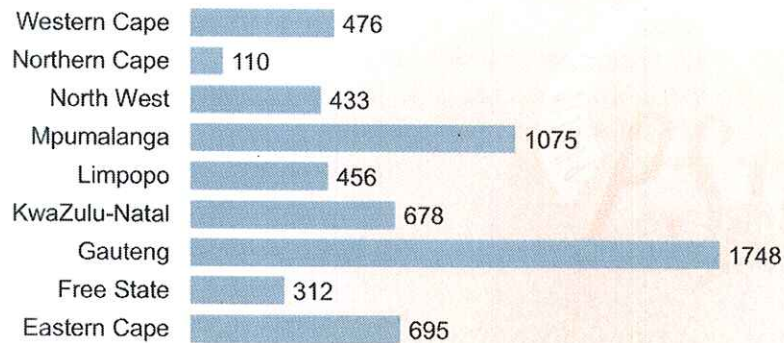
- A total of **6 136** cases were referred to **national departments** for investigation.
- The largest number of cases:



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CASES OF ALLEGED CORRUPTION REPORTED TO THE NACH AS AT 30 OCTOBER 2014 (4)

- A total of **5 983** cases were referred to **provincial departments** for investigation.



STATUS OF NACH CASES AS AT 30 OCTOBER 2014

National/Province	Cases Referred	Investigation initiated	% Investigation initiated	Investigation completed	% Investigation completed
National	6 136	4 101	67%	3 153	51%
Eastern Cape	695	534	77%	161	23%
Free State	312	120	38%	71	23%
Gauteng	1 748	1 078	62%	608	35%
KwaZulu-Natal	678	256	38%	124	18%
Limpopo	456	430	94%	197	43%
Mpumalanga	1 075	801	75%	603	56%
North West	433	192	44%	107	25%
Northern Cape	110	45	41%	36	33%
Western Cape	476	429	90%	277	58%
Public Entities	2 873	2 816	98%	2 782	97%
TOTAL	14 992	10 802	72%	8 119	54%

DISCIPLINARY PROCESS CONCLUDED AND SANCTIONS IMPLEMENTED AS AT 31 MARCH 2014

- A total of **3439** employees were found guilty of misconduct related to corrupt activities since 01 September 2004 to 31 March 2014.
 - ✓ **1694** employees were dismissed from the Public Service
 - ✓ **438** employees were fined (e.g. not receiving three month salary)
 - ✓ **63** employees were demoted
 - ✓ **913** employees were given final written warnings
 - ✓ **331** employees were prosecuted.



- The successful investigation of cases of alleged corruption reported through the NACH resulted in the recovery of **R333 million** from perpetrators since the inception of the NACH

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CURRENT GUIDELINES IN TERMS OF PROVISION OF FEEDBACK

- Departments are afforded an opportunity to provide feedback to the PSC on **progress made** with the investigations within **40** days.
- Departments are required to provide feedback on the following information:
 - ✓ Acknowledgement of receipt of complaint/Investigation initiated. (Currently **72%**)
 - ✓ Investigation completed. (Currently **54%**)
 - ✓ Other milestones indicating levels of progress. The PSC closed **6671** cases which lack evidence or substance e.g.
 - frivolous and vexatious cases (**6000**)
 - cases that fall outside the mandate of the Public Service (**671**).
- Once the PSC is satisfied with the nature of feedback provided, the relevant information is uploaded onto the Case Management System of the NACH to provide necessary feedback to callers.

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REVIEW OF THE PROVISION OF FEEDBACK

- In order to strengthen the provision of feedback and to minimise delays, the following are proposed:
 - ✓ *No substance to allegations of alleged corruption* - Investigation reports should be provided to the PSC within 40 days.
 - ✓ *Departments have to conduct full investigations into the allegations* - the full investigation reports should be provided to the PSC within 90 days.
 - ✓ *A disciplinary hearing is conducted* - the full investigation report, the outcome of the disciplinary hearing, letters of confirmation of the recovery of money and/or the implementation of the outcome of the disciplinary hearing, if any, should be submitted to the PSC within 30 days after completion of the disciplinary hearing.

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REVIEW OF THE PROVISION OF FEEDBACK (2)

- The PSC is also improving the reporting format to make provision for reporting on the following milestones in the investigation process:
 - ✓ Acknowledgement of complaint / allegation
 - ✓ Investigation initiated
 - ✓ Investigation completed
 - ✓ Disciplinary process initiated
 - ✓ Disciplinary process concluded and sanction implemented
- These milestones will considerably strengthen the performance of the NACH because the information generated will show whether departments are managing the cases efficiently and how long each step takes.
- The PSC will increase its investigative capacity by working with other agencies such as the SIU, IMC Technical Task Team on Anti-Corruption and make use of these agencies for more comprehensive data.

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CHALLENGES EXPERIENCED THROUGH THE MANAGEMENT OF THE NACH

■ Lack of sufficient information supplied by callers

- ✓ The call centre agents have been trained to interrogate whistleblowers to provide comprehensive information relating the alleged acts of corruption.
- ✓ In many instances whistleblowers are unable to provide sufficient information or documents to substantiate the allegations they make.
- ✓ Many callers prefer to remain anonymous. Anonymity impacts negatively on the investigation of cases, as whistleblowers cannot be reached to verify or provide further information.



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CHALLENGES EXPERIENCED THROUGH THE MANAGEMENT OF THE NACH (2)

■ Protection of whistleblowers and investigators

- ✓ One of the key issues in the effective management of the NACH relates to the reporting of cases of alleged corruption.
- ✓ Incidences have occurred where whistleblowers have been intimidated by Executive Authorities and senior managers when reporting corrupt activities or emanating from the investigation of cases of alleged corruption.
- ✓ This undermines efforts to prevent and combat corruption effectively.
- ✓ Perhaps a lack of protection of the whistleblowers is the key reason why many callers prefer to remain anonymous when they report cases of alleged corruption.

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CHALLENGES EXPERIENCED THROUGH THE MANAGEMENT OF THE NACH (3)

Finalization of cases by Departments:

- ✓ In terms of the NACH protocols, cases of alleged corruption are closed on the CMS of the NACH when the matter has been investigated and disciplinary action is concluded.
- ✓ Previous studies of the PSC into the investigation of the NACH cases have shown that departments generally do not have adequate capacity to investigate cases of alleged corruption reported on the NACH and referred to them.
- ✓ Some departments also do not maintain a database of all cases received from the NACH.
- ✓ According to the CMS, two thirds of cases of alleged corruption reported on the NACH are still outstanding.
- ✓ Although feedback is provided to the PSC, follow-up has to be made to ensure that substantiating evidence supports departmental findings.

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POSSIBLE SOLUTIONS

Addressing fraud and bribery:

- ✓ Departments should periodically conduct targeted procurement audits of selected projects to identify weaknesses and malpractices in procurement processes.
- ✓ The risk management plans and fraud prevention plans of departments must be updated to address the risks identified.

Management of corruption risks

- ✓ Each Accounting Officer must specifically focus on and analyse corruption risk as part of the risk management required in terms of the PFMA and implement fraud prevention plans required in terms of the PFMA.
- The PSC will continue to conduct **targeted visits** on cases of alleged corruption reported to Departments.

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CONCLUSION

- The NACH is designed to enable members of the public and public servants to report any form of corruption.
- The definitive challenge for the NACH is to maintain the level of participation and confidence of whistle-blowers in the Hotline by ensuring the effective investigation of cases and timeous feedback.
- Approximately 120 cases of alleged corruption are referred to departments for investigation on a monthly basis.
- Therefore, departments should improve their responsiveness by having adequate and appropriate capacity to investigate cases of alleged corruption reported to the NACH.
- Heads of Department should ensure that cases referred to them are part of the audit scope of their departments.

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CONCLUSION (2)

- Internal Auditors within Departments should conduct annual performance assessments on all cases of alleged corruption referred to Departments for investigation.
- The PSC will engage the Auditor-General to facilitate the inclusion of the cases of alleged corruption referred to departments in its audit scope.
- The PSC will engage the Portfolio Committee to strengthen its oversight, and provide it with information to hold departments accountable on cases of alleged corruption referred to them.

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*Thank you
Siyabonga*

*PSC Website: www.psc.gov.za
National Anti-Corruption Hotline for the Public Service:
0800 701 701*

