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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**PARLIAMENTARY QUESTION 1464**

**DATE OF PUBLICATION: 11 May 2018**

**Mr P van Dalen (DA) to ask the Minister of Economic Development:**

1. Whether, with reference to the reply of the President, Mr C M Ramaphosa, to the debate on the State of the Nation Address on 22 February 2018 to implement lifestyle audits, (a) he, (b) senior management service members in his department and/or (c) any of the heads of entities reporting to him have undergone a lifestyle audit in the past three financial years; if not, have any plans been put in place to perform such audits if so, in each case, what are the details of the (i) date of the lifestyle audit, (ii) name of the person undergoing the audit, (iii) name of the auditing firm conducting the audit and (iv) outcome of the audit;
2. Whether he will furnish Mr P van Dalen with copies of the lifestyle audit reports? NW1567E

**Reply:**

Fighting corruption is a major part of the focus of the Administration, and as shown by research results previously released, corruption can have a damaging effect on economic growth and job creation. Lifestyle audits can play an important part in identifying corruption and following the President’s pronouncement on the matter, consideration is being given to lifestyle audits in circumstances where on a risk-analysis basis, it is warranted or may assist with the fight against corruption. Neither the department nor its entities have conducted lifestyle audits in the past three financial years. The department and its entities will implement any directive issued by the relevant government agency.

Until such a directive has been finalised, the following anti-corruption and conflict of interest arrangements apply:

In respect of the Department, government has put in place a Financial Disclosure Framework for all Middle Management Staff (MMS), Senior Management Staff (SMS) and all employees entrusted with public funds. The framework is aimed at preventing conflict of interests by requiring designated employees to disclose their financial interests. The said are required to disclose their shares and other financial interests held in any private or public company or any other corporate entity recognised by law.

The said employees are also required to disclose their directorships, partnerships, the name, and type of business activity, of the corporate entity or partnership and the amount of any remuneration received for such directorship or partnership.

In respect of Minister and Deputy Minister, an Executive Disclosure and Parliamentary Disclosure framework is in place.

The Industrial Development Corporation (IDC) has set out its Fraud Prevention Policy and Plan in Annexure N to the IDC Corporate Plan (2018/19 – 2022/23). The IDC ensures comprehensive background checking is carried out on prospective employees, including at least verification of previous employment details, academic qualifications, citizenship and the existence or otherwise of a criminal record. We act within the relevant legal prescripts in this regard. The IDC also has recently implemented procedures to ensure comprehensive background checking is carried out on potential service providers. The Corporation embraces a “know your supplier” culture, which minimises financial crime in procurement and simultaneously makes the Corporations zero tolerance culture towards financial crime visible to service providers.

The Competition Commission has a Declaration of Financial Interests policy in terms of which all employees are required, on an annual basis and whenever there is a change during the year, to declare their financial interests such as ownership of shares in companies, directorships and trusteeships in companies and trusts, as well as ownership of properties. The policy also requires employees to declare any gifts they receive during the year. The Auditor-General, as part of its annual audit, requires members of the senior management team of the Competition Commission to submit information on related parties, ie close family members and business associates. The Auditor-General interrogates the information by ascertaining whether any of the service providers who did business with the Competition Commission during the financial year are linked to related parties of senior management.

For the Competition Tribunal, all part-time members are required to declare any conflict of interest on the court record before they attend a hearing. The Tribunal has an anti-fraud policy in place and all employees, consultants and contractors are required to sign an anti-fraud charter, and all staff sign a Supply Chain Management (SCM) disclosure on an annual basis.

For ITAC, in terms of their HR policies and procedures, all employees are required to disclose their financial interests annually by completing the ITAC Financial Disclosure Forms which must be approved by the Chief Commissioner. In case of the Chief Commissioner, his form is signed by an EXCO member. In addition, ITAC has a Fraud Prevention Policy aimed at setting the tone against any acts of corruption in the workplace.

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