

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**“1483. Mr M P Rabotapi (DA) to ask the Minister of Small Business 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) she, (b) senior management service members in her department and/or (c) any of the heads of entities reporting to her 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 she will furnish Mr M P Rabotapi with copies of the lifestyle audit reports?”**

**NW1586E**

**REPLY:**

Neither the (a) the Minister of Small Business Development, (b) the senior Management service members nor the (c) heads of entities have undergone a lifestyle audit in the past three financial years. However, the Department of Small Business Development (DSBD) adheres to the system of financial disclosures as prescribed by the Public Service Regulations of 2016 which enables employees to disclose financial interests. This includes disclosure of shareholding, directorships and partnership, equities, income generating assets, sponsorships; remunerative work outside and employees’ formal employment; gifts and hospitality. This is a yearly exercise and the DSBD, like all Departments, are expected to comply with the regulation.

Financial disclosures by senior management service (SMS) are verified by the Public Service Commission (PSC) and by the Department of Public Service and Administration (DPSA). Any findings of possible conflict of interest are identified in this process and communicated with the relevant Executive Authority. Furthermore, the Auditor-General of South Africa (AGSA) has access to financial disclosures of employees by virtue of Section (15) of Public Audit, 2004 [Act No. 25 of 2004]. The AGSA is therefore empowered to conduct an audit on the lifestyle of any public service employees to verify the financial position of such persons and establish conflict of interest.

Although the announcement by the President is acknowledged on the need to conduct lifestyle audits, the Minister of Public Service and Administration (MPSA), Minister Ayanda Dlodlo in her Budget Speech on 16 May 2018, indicated that “In responding to the call by the President, we are developing a framework, which will inform how we institute or conduct lifestyle audits on all Public Service employees. This is in addition to existing measures, which prohibit employees from conducting business with organs of state”. The Small Business Development (SBD) Portfolio that is the DSBD together with its entities; the Small Enterprise Development Agency (Seda) and the Small Enterprise Finance Agency (sefa) will comply to the DPSA Framework for conducting lifestyle audits when adopted. This Framework will then be embedded in policies of the SBD Portfolio for guidance to ensure compliance.

(2) No. There are no report of such audits, since lifestyle audits, in the strict sense of the terms, have yet to be conducted by the Department in the event of a formalised Framework from the DPSA.