

# 21 cases of financial misconduct finalised in the Northern Cape

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A TOTAL number of 21 cases of financial misconduct among public services have been finalised in the Northern Cape.

This is according to a report submitted by the Public Service Commission (PSC) to Parliament's Public Service and Administration Committee.

During the presentation by Selinah Nkosi, PSC Commissioner, it was pointed out that the total number of finalised cases on national level was 758 – for Gauteng 87, KwaZulu Natal 66, Western Cape 64, Limpopo 45, Free State 36, Mpumalanga 36, the Eastern Cape 27, Northern Cape 21 and North-west 10.

“A total of 1 150 disciplinary proceedings on financial misconduct were completed for the 2016-17 financial year,” Nkosi said. “Of the 46 national departments, 22 submitted a ‘nil return’.”

She explained that a “nil return” meant that the department reported that no financial misconduct cases were completed in the 2016-17 financial year.

“The types of financial misconduct reported are unauthorised expenditure, corruption, fraud, gross negligence, irregular expenditure, theft, wasteful and fruitless expenditure, misappropriation and abuse.”

National and provincial departments reported that the total amount of money involved in completed disciplinary proceedings on financial misconduct for the 2016/2017 financial year was R524 million.

“National departments reported an amount of R246 million (46.9%) and provincial departments reported an amount of R278 million (53.1%). The Department of Human Settlements in Gauteng reported the highest amount comprising R171.5 million (32.7%) of the total amount reported by national and provincial departments. The national Department of Public Works reported the highest amount comprising R101.6 million (41.3%) of the total amount reported by all national departments.

Of the total amount, R524 million related to completed disciplinary proceedings on financial misconduct:

Only R11.4 million (2.2%) was recovered from employees found guilty, while R243.8 million (46.5%) was considered as “no loss to the State” because the State did not suffer any loss e.g. an item procured or service provided might not have

been procured economically.

An amount of R269.2 million (51.3%) was not recovered at the time that departments reported the outcome of the cases to the PSC

The trends analysis shows that in the 2016-17 financial year, the number of completed disciplinary proceedings on financial misconduct has increased by 512 (80.3%) in comparison to the 2015-16 financial year (namely from 638 to 115). This was the highest in the four financial years. (2013-14 to 2016-17).

In comparison to the 2015-16 financial year, there has been a drastic increase in the number of SMS members (salary levels 13-16) charged with financial misconduct in the 2016/2017 financial year, namely 32 (2015/2016) to 297 (2016/2017).

“An increase in the number of SMS members found guilty of financial misconduct is a worrying concern as SMS members are required to play a critical role in the promotion and maintenance of sound financial management in the Public Service,” Nkosi said.

There has been a decrease of 77 cases in respect of employees charged with financial misconduct at salary levels 1-8 (from 469 in the 2015-16 financial year to 392 in the 2016-17 financial year).

“This could be ascribed to, for example lack of induction of lower level employees on policies and procedures and lower level employees being the first point of contact with service providers in respect of procurement.”

Nkosi pointed out further that reports submitted by departments showed that there were inconsistencies in the sanctions imposed for cases of a similar nature. “For example, an employee was found guilty of theft amounting to R5 205.00 and the sanction imposed was a written warning, whilst an employee in the same Department found guilty of theft amounting to R1 088.00 was issued with a sanction of suspension without pay.”

Some of the reasons provided by departments for the non-finalisation of disciplinary proceedings on financial misconduct were: awaiting approval of the sanction by the presiding officer, awaiting the outcome of an appeal, disciplinary hearing in progress etc.

“Whilst there is still room for improvement, there has been an overall increase in the completion of disciplinary proceedings on financial misconduct in the 2016-17 financial year in that 1 150 disciplinary proceedings on financial misconduct has been completed and 574 were not completed.”