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## Minister of Public Works Ms Stella Sigcau 25 October 2000

## **Anti-Corruption Workshop**

Master of Ceremonies
Directors-General and Heads of Department
International representatives
Distinguished guests
Ladies and gentlemen

We are gathered here today to for what I believe is an important conference for our department which is a service delivery department.

It is our intention to find solutions to some of the problems that were raised at the 1998 Anti-Corruption Conference and to strengthen on those areas which will enhance our growth and development as a young democracy.

World-wide consensus points to four core values of successful democracy: transparency, accountability, responsibility and representativeness. As government, we are executing policies and programmes created and initiated by our democratically elected leadership. I trust you will agree with me that we should continuously strive to promote and enhance these values to take our young democracy on a successful path of growth and development.

The results of some the surveys conducted nationally from time to time do leave a sense of discomfort. For example, a national survey on some 2000 South African companies with more than 250 employees indicated that 86% of these believed that fraud will increase in the future. Alarmingly, the same research firm found that between 1996 and 1999, the number of companies experiencing incidents of fraud, increased from 66% to 83%.

As a country keen on establishing the right climate for investors, such figures are indeed alarming and disturbing.

During the Anti-Corruption Summit Conference in November 1998, President Mbeki already warned that:

"Perpetrators of corrupt practice in both the public and private sectors will be severely punished for contributing to this moral mayhem which has been allowed to creep into the fabric of our society".

It is the serious intention of our Government to ensure honest and clean administration. We must accept that ending corruption forms part of the long term and laborious process of transformation of government and society as a whole.

We need to ensure that every citizen knows what to expect, what is acceptable, and take responsibility for helping to end corruption. As public office bearers, we have to create an environment in which any person can report corruption and extortion without the fear of victimisation.

Since the historical Anti-Corruption Summit Conference of 1998, some measures have been implemented with significant effect in the process of our own transformation.

Nationally and Provincially, the new Public Finance Management Act has ensured direct accountability at Director-General level for financial management of his or her department. They are now personally liable for any charges of financial misconduct. It means a greater responsibility for each manager resulting in stricter measures and improved control systems.

Many internal audit units have been created, not to operate in isolation, but to become an integral part of each organisation's management team. They not only identify activity areas with a high potential for fraud and corruption, but also provide guidance, training and improved systems design

At the national Department of Public Works, we have established a special investigation unit to network with institutions such as the Heath Special investigations Unit, the Directorate for Serious Economic Offences, the Commercial and Fraud branches, Special Investigation Unit and Forensic Laboratory of the SAPS, the National Intelligence Agency, Business Against Crime, various forensic accounting firms and interim investigation units of different departments.

The Minmec for Public Works last year in October unanimously pledged greater co-operation in the drive against fraud and corruption. MECs agreed on a 5-Point Anti-Corruption Drive. These five points correspond to the resolutions of the November 1998 Summit.

Let us briefly remind ourselves of what we set out to do:

- 1. Training of officials to address their apparent lack of or inadequate knowledge of procedures and control measures that render them vulnerable to corruption, particularly in the areas of tender and authorisation procedure as well as appropriate regulation
- 2. Instituting stringent internal control measures that will be regularly reported on to management
- 3. Proactive corruption busting investigation in identified high-risk areas
- 4. Harsh action to be taken against officials and contractors involved in or promoting corruption, which includes, but is not limited to, handing them over to the police, ordering payment of affected funds, seizure of property and/or dismissal
- 5. Strengthening financial and administrative capacity, addressing the not uncommon situation where junior officials with inadequate expertise are expected to manage large sums of money and large projects.

The purpose of this conference is to reinforce the Department's Anti Corruption stance and recommit officials in creating an ethical cost effective organisation characterised by zero tolerance for corruption, fraud and financial mismanagement.

It is our objective with this conference to focus on corruption, its effects and consequences and possible innovative ways to overcome the problem. We have assembled under one roof between 250 and 300 officials from all the Departments of Public Works in the country as part of a national effort in dealing with fraud and corruption.

We want participants to enlist the experience, expertise and participation of some of the leading local and international proponents of anti corruption, striving for best practice. Following the conference, a pilot one-day workshop on the prevention of procurement fraud will be done. We will inform our provincial departments on the outcome.

In the longer term, we hope to achieve goals such as:

- \* To consolidate our public position with regard to corruption
- \* To indirectly relay anti-corruption messages to the would be fraudsters in general.
- \* To treat the conference as part of an ongoing process to conscientise the staff of Public Works Departments.

In the quest for synergy, we trust that the conference will reinforce the efforts of the Fraud Awareness, Internal Audit, Minmec and the New Public Finance Management Act ("PFMA") to deal effectively with corruption.

Recent cases of fraud, bribery, and other acts have confirmed the prevalence of a problem i.e. corruption is real in our environments.

The success of this conference will be a first shot towards unlocking the value of effective and efficient public service delivery.

Expected benefits from this conference include:

- An opportunity for both the provincial and national officials of Public Works to jointly address the common problem affecting Public Works.
- This is also an opportunity to share experiences with other people locally and abroad on steps to foster clean governance.
- The second day should provide an opportunity to workshop ideas and develop implementable solutions.

• The new PFMA imposes a responsibility on all of us to have developed a fraud prevention plan no later than 31 March 2001. It is our firm belief therefore that what will come out of these 2 days will be a clear and unequivocal directive of the scope and structure of our fraud prevention plan. Having said that the conference as well as its resolutions cannot be seen as an event, but rather as a beginning of a process that will facilitate on going dialogue and co-operation amongst ourselves.

We are not only today celebrating our individual and joint successes in the fight against crime, but we are also delivering on undertakings to intensify the awareness, training, skills and work ethics of our often "overloaded, overworked, underskilled and underpaid" staff.

However, it is our responsibility to ensure that we contribute to building a future where our value systems based on clean governance are integral to our society. Our efforts for the African Renaissance will be meaningless if the public service is characterised by corrupt practices.

Let each one of us at this conference make a personal pledge to fight corruption. Remember the main objective of government is to enhance service delivery, to improve the quality of life of all South Africans. As the theme for this conference says: "Corruption kills service delivery", if we have corrupt civil servants, who are supposed to play a critical role in service delivery, how then can we improve the quality of life of our brothers and sisters? After all, it is our mission to seek a better life for our people.

I trust that this conference will indeed be a milestone in the creation of awareness, reviewing progress and planning ahead proactively on our road to full transformation.

Let me leave you with these words from our President, Mr Thabo Mbeki, I quote:

"The call for Africa's renewal, for an African Renaissance is a call to rebellion. We must rebel against those who seek to corrupt our societies and steal the wealth that belongs to the people!"

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