

ADDENDUM 18

INVESTIGATING AND REPORTING BUSINESS CONFLICT OF INTEREST

1. In terms of Chapter 16A3.8.2 of the PTIs, the supply chain management system of the Department must, irrespective of the procurement process followed, prohibit any award to a person:
 - (a) who is in the service of the Provincial Government Western Cape; or
 - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder, is a person in the service of the Provincial Government Western Cape;
 - (c) unless that official has appropriate authority to undertake remunerative work outside his or her employment with the Department (RWOPS).
2. An employee of the Department must disclose in the prescribed manner to the Accounting Officer any business interest that the employee or any family member of the employee has in an entity conducting business with the Western Cape Government.
3. Before an award is made the Department must establish:
 - (a) Whether or not the bidder is employed within its own staff establishment and whether or not the bidder is on the list provided by the Provincial Treasury that was matched against the public service PERSAL information and Western Cape Supplier Evidence Bank; and
 - (b) Where a conflict is detected whether or not that official has appropriate authority to undertake remunerative work outside his or her employment in the Department (RWOPS).

Comparison of supplier information with PERSAL information (Process in dealing with possible conflict of interest).

ACTION	REQUIREMENT
Departments to interrogate Matching Report and investigate	<ul style="list-style-type: none"> • Check the position of the employee at CIPC (Old CIPRO). Print report as evidence. Check if employee is in the SCM Unit. • If in SCM unit does the employee have influence on the award of bids, including quotations? • If the employee is in line function does he/she have the influence to direct who gets the business? • Check if the employee has disclosed any financial status/interest in the relevant matter (payment details to be used as starting point). • Check if the employee has official permission (RWOPS) to conduct such business. • Where the employee is employed in another department check if the employee has official permission (RWOPS) from that department to conduct business. • Department also to identify any transactions involving the supplier but not yet paid. • Details of supplier must also to be checked against Register of Tender Defaulters, Database of Restricted Suppliers as well as the CIDB blacklist where applicable.
Departments to institute steps to mitigate/manage the risks	<ul style="list-style-type: none"> • Where any one of the above (excl. bullet 1) are true or are not in place, immediate corrective measures or disciplinary steps must be taken. • Employee must be afforded an opportunity to deregister where they are directors or owners of companies but did not conduct business with the Provincial Government in the past financial year.
Department to submit report to PT on a quarterly basis.	NB: Report as in attached format marked hereto "Annexure A" and attach copies of the following for each individual case:

Accounting Officer's System – Approved on 09/12/2019 – Addendum 18

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Annexure A

REPORTING FORMAT

Provincial Treasury

Attention:

COMPARISON BETWEEN SUPPLIER AND PERSAL INFORMATION: POSSIBLE CONFLICT OF INTEREST

1. The information provided by the **Western Cape Education Department** for the month of _____ 20____ [Month and Year] was scrutinised and the following findings were made:

NAME OF OFFICIAL	PERSAL NO.	SUPPLIER NAME	FINDING

2. The department has implemented the following steps to address each of the above findings and its associated risks:

FINDING	RISK	STEPS TAKEN TO ADDRESS RISK

3. Where the Department has not implemented the corrective measures to address the situation, the Department will now implement the following steps to address each of the above findings and its associated risks:

FINDING	RISK	STEPS TAKEN TO ADDRESS RISK

HEAD: EDUCATION

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