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Strategic People Management Minute: 0006/2024

To: Deputy Directors-General, Chief Directors, Directors, Deputy Directors, Circuit Managers, Heads: Management and Governance, Heads: District Curriculum Support, Heads: District Learner Support, Principals and all Public Service Staff

Subject: Employees conducting business with an organ of the state

1. Following Strategic People Management Minute 0002/2024, dated 29 January 2024, Circular 13/2024, dated 11 March 2024, was issued by the Department of Public Service and Administration in respect of approved Ethics Directives from the Minister for the Public Service and Administration for implementation from 01 April 2024.
2. In terms of the Ethics Directives, an employee is prohibited from registering on the National Treasury Central Supplier Database as an individual, owner of a company or director of a public or private company, unless such employee is in an official capacity as a director of a company listed in schedule 2 and 3 of the Public Finance Management Act, 1999 (Act 1 of 1999).
3. Regulation 13(c) of the Public Service Regulations (PSR), 2016, states that an employee shall *"not conduct business with any organ of state or be a director of a public or private company conducting business with an organ of state, unless such employee is in an official capacity as a director of a company listed in schedule 2 and 3 of the Public Finance Management Act"*.
4. Business includes any business, trade, occupation, profession, calling, industry or undertaking of any kind, or any activity carried on for gain or profit by any person within the republic or elsewhere, and includes all property derived from or used in or for the purpose of carrying on such other activity and all the rights and liabilities arising from such other activity.
5. An employee is regarded as "conducting business with an organ of state" when an employee or an employee acting as a director of a private or public company:
(a) concludes, or intends to conclude a written or oral agreement with an organ of state (irrespective of the process followed);

- (b) when such agreement is not associated with that employee's employment with the department; and/or
 - (c) through such agreement provides goods or services to any organ of state for any personal benefit, financial or otherwise.
6. If an employee was conducting business with an organ of state before being employed, the employee must ensure that the relationship is terminated before assuming duty with the department.
 7. Any alleged contravention of regulation 13(c) of the PSR, 2016, by any employee, will be subjected to an investigation into the alleged contravention for the purposes of a disciplinary enquiry.
 8. Kindly bring the contents of this minute to the attention of all employees under your supervision.

SIGNED: LJ ELY

DEPUTY DIRECTOR-GENERAL: CORPORATE SERVICES

DATE: 2024-05-07