



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL ASSEMBLY

### QUESTION FOR WRITTEN REPLY

**QUESTION NO. 4097**

**DATE PUBLISHED: 4 NOVEMBER 2022**

**Ms P Madokwe (EFF) to ask the Minister of Trade, Industry and Competition**

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With reference to the many corruption cases which have been closed for various reasons including the inability to locate key witnesses, what key strategies has his department put in place to have perpetrators brought to book in order to discourage continued widespread corruption in his department? NW5109E

#### REPLY:

- 1) **the dtic** does not have any reported corruption cases that have been closed due to the inability to locate key witnesses.
  
- 2) **the dtic** recognises fraud prevention as an integral part of strategic management. **the dtic** is committed to the elimination of fraud and strives towards maintaining and implementing the highest standard of prevention and detection. **the dtic** prevents fraud through implementing the following strategies:
  - (a) Prevention Strategy –
    - (i) **the dtic** has implemented a fraud and corruption email hotline address [fraudandcorruption@thedtic.gov.za](mailto:fraudandcorruption@thedtic.gov.za) which is on **the dtic**'s website.
    - (ii) Fraud Awareness Training: Employees in the department and provided with Fraud prevention training.

- (iii) Assessment of Fraud Risks: The Office of the Chief Risk Officer (OCRO) within **the dtic**, conducts annual risk assessments to identify potential fraud risks based on the risk profile of the Department.
  - (iv) Internal Control: Internal controls are the first line of defence against fraud and are essential elements in the overall anti-fraud prevention strategy. **the dtic** promotes an internal control culture through the mapping of business processes to ensure that controls are built in, regular communication on ethics and ethical behaviour in the performance of daily activities, implementation of additional controls to prevent any fraud risks, and forensic investigations where required.
  - (v) Pre-Employment Screening: Screening is an effective means of preventing fraud such as falsifying qualifications or employment history, as well as previous criminal convictions for offences.
  - (vi) Disclosure of interests: All staff members are required to disclose their financial interests on an annual basis. Failure to disclose fully incurs disciplinary action.
  - (vii) Approval of Other Remunerative Work Outside Public Service: All staff are reminded, via regular communications and newsflashes, to obtain prior written approval of other remunerative work outside the Public Service in terms of Section 30(1) of the Public Service Act. Failure to obtain such approval incurs disciplinary action.
  - (viii) Reviewing systems and procedures: When fraud is detected it is referred to **the dtic**'s Internal Audit unit for an investigation and recommendation of action. **the dtic** re-assesses the adequacy of the internal control environment and actively plans and implements improvements where required. The instances of fraud are received either through the whistle blowers hotline, National Anti-Corruption hotline or by management.
  - (ix) Whistle Blowers protection: Individuals are encouraged to come forward with any information without fear of victimisation as **the dtic** has institutionalised the protection afforded to whistle blowers by the Protected Disclosures Act by approving its own Whistle Blowing Policy.
- (b) Detection Strategy: Despite the existence of fraud prevention programmes, fraud may still occur. An anti-fraud reporting facility via the Presidential hotline

and Whistle Blower's line complements and underpins the commitment of **the dtic** to fighting fraud.

(c) Response Strategy -

- (i) Disciplinary Action: Subsequent to a full investigation, **the dtic** takes disciplinary action in all cases where warranted. Any member of staff found guilty of dishonesty or fraud will be considered to have committed a serious disciplinary offence and will be dismissed.
- (ii) Recovery of money or property lost through fraud: **the dtic** will actively pursue the recovery of money or property lost through fraud and will refer the matter for criminal prosecution.

(d) Forensic Investigation -

- (i) In the event that fraud is detected or suspected, the matter is fully investigated by Internal Audit Forensic Investigators.
- (ii) All fraud cases are tabled, discussed and monitored at the Pre-Risk Committee.
- (iii) All fraud cases are referred to SAPS for further prosecution.
- (iv) The findings of the SIU investigation of the National Lotteries Commission (NLC), have been prioritised and is being addressed as recommended in the SIU report. In addition, a fraud and corruption hotline has been created and placed on the NLC website to enable anonymous reporting by the public, of fraud and corruption at the NLC. This hotline is managed by **the dtic**, independently from the NLC.

- (e) Anti-Corruption Unit and measures in progress: An Anti-Corruption unit within **the dtic** is in the process of being capacitated with the objective of intense focus on anti-fraud and corruption initiatives and measures across **the dtic** group, inclusive of all public entities reporting into **the dtic**.

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**Mr Ebrahim Patel**

**Minister of Trade, Industry and Competition**

Date: ...../...../ 2022

**Approved/Not Approved**