

**ADDRESS BY THE MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, MR DES VAN ROOYEN, at the CIGFARO AUDIT & RISK INDABA, on “Inculcating Ethical Culture through Governance Processes for Sustainable Services,”**

**19 June 2017,**

**Cape Town**

Programme Director,

CIGFARO President, Dr Krish Kumar,

Government officials,

Audit and risk practitioners,

Ladies and Gentlemen,

It is my honour to join you today.

Congratulations to the Chartered Institute for Government Finance, Audit and Risk Officers.

I believe that your change from the Institute for Municipal Finance Officers, in the last year has paved the way for a more comprehensive and cohesive organisation.

This bodes well for the state of government finances, which are being held in the very capable hands of your members.

We meet during Youth Month, which this year encompasses a theme that I hope will resonate with your membership.

We celebrate Youth Month under the theme of, “The Year Of OR Tambo: Advancing Youth Economic Empowerment.”

Tomorrow, the Department of Cooperative Governance hosts the first Local Government Youth Development Forum.

The conference will bring together youth officers and other officials involved in the youth sector to create a platform that will allow for further engagement of youth in the local government sector.

South Africa is a youthful country, with almost 55 percent of the population falling into the 15-34 year age grouping.

I urge CIGFARO to ensure that while you go about your tasks that you are grooming the next generation of finance, audit and risk officers.

Transformation of the sector is vital.

Ladies and Gentlemen,

I’m sure you arrived in Cape Town with some trepidation.

In recent weeks the Western Cape has certainly lived up to its name as the Cape of Storms.

The month of June has thus far been turbulent, with natural disasters setting the province on high alert.

Citizens from Knysna to Khayelitsha were thrown into disarray as both storms and fires ravaged these areas.

Our disaster risk reduction measure were stretched to the limits and placed under the spotlight as we sought to overcome these twin catastrophes.

Despite these challenges it was heart-warming to see the many volunteer fire-fighters come to the rescue.

Equally gratifying was to see South Africans from all walks of life contribute to the relief efforts.

The work of the various agencies from national to local level of government reinforced the importance of the work we do in ensuring better service delivery.

A vital and often overlooked element of delivering sustainable services is the inculcation of an ethical culture in governance processes.

While legislative remedies have their uses they also have their limitations.

This makes the development of an ethical culture of paramount importance.

Ethics is an important cornerstone of corporate governance and can make or break an organisation’s reputation.

The leaders of the organisation should set the tone in applying high ethical standards with a stance of zero tolerance towards corruption.

This is in line with Cogta’s Back to Basics approach that is premised on five pillars: delivering basic services, public participation, sound financial management, building institutional capacity and promoting good governance.

Furthermore, a commitment to zero tolerance in fraud and corruption will demonstrate support for the overall Government Vision 2030, as espoused in the National Development Plan.

This aims to achieve zero tolerance for corruption and empower citizens in giving them the confidence and knowledge to hold public and private officials accountable.

Being ethical is about distinguishing between what is morally right and wrong, with the purpose of doing what is right.

If a person has the ability to distinguish between right and wrong but chooses not to do what is right, this conduct can be described as unethical.

While in some situations right and wrong may be easily discernable, this is not always the case.

However, the distinction between right and wrong is sometimes blurred, or not so obvious, or there may be many different options to choose from.

When the organisation lacks the ethical culture, it is often exposed to risks such as theft, fraud, conflict of interest, nepotism, and deviation from supply chain management practices.

It is therefore important that we build an ethical culture, or risk losing the struggle against unethical practices.

Chapter 10 of the South African Constitution lays out the legislative framework for creating good governance in the public sector:

* “A high standard of professional ethics must be promoted and maintained;
* Services must be provided impartially, fairly, equitably and without a bias;
* Public administration must be accountable; and
* Transparency must be fostered by providing the public with timely, accessible and accurate information.”

These values and principles provide the basis for discharging public duty in a professional and ethical manner.

In support of this, Government has enacted a comprehensive array of legislative and policy frameworks to give effect to the promotion of professional conduct and anti-corruption strategies in the public service.

The Department of Cooperative Governance’s Back to Basics programme, meets many of the needs of developing an ethical culture.

Characteristics such as integrity, competence, responsibility, accountability, fairness and transparency are essential elements of an ethical culture and steps should be taken to develop them.

An ethical culture provides accountability between the public and the administration.

Adhering to a Code of Ethics ensures that the public receives what it needs in a fair manner.

It also gives the administration guidelines for integrity in their operations.

That integrity, in turn, helps foster the trust of the community.

By creating this atmosphere of trust, the administration helps the public understand that they are working with their best interests in mind.

Good ethics in public administration also entails timely and informative communication with the community.

This kind of transparency builds trust and prevents or minimizes the potential for community protest.

Moreover, there is recognition that high-profile cases of corruption and mismanagement can affect public perceptions of the legitimacy and quality of government actions.

To that end, inculcating the ethical culture through governance processes is fundamental to the legitimacy of democratic governance.

To achieve this culture within the public service, we have adopted the Batho Pele principles such as courtesy, openness and transparency and the maintenance of service standards as our code that guides us in serving the public.

So what else should organisations do to develop an ethical culture?

The leadership of an organisation sets a clear ethical tone from the top.

This defines Management’s leadership and commitment towards openness, honesty, integrity and other ethical behaviour.

The World Economic Forum’s Outlook on the Global Agenda 2015, rated disaffection with leaders as the third largest challenge for the year.

Author Dov Seidman believes that ethical leadership founded on six principles is essential to meeting the challenges facing.

I believe they are worth mentioning, as all of us are leaders in our own right, by virtue of the positions we occupy in business, society, politics or various other fields.

The first is that sometimes leaders need to just “Stop and Think.”

Simple reflection of our thoughts and actions allow us to connect our consciousness with our conscience.

When Tata Nelson Mandela became South Africa’s first democratic president he trusted people with the truth – that it would take hard work to create a unified nation.

By simply extending trust to the nation, he brought everyone into his fold.

Having two-way conversations is another important trait of leadership.

Public participation programmes and regular community engagements have become regular features of this democratic government.

On a more practical level, just meeting with your staff regularly to hear their concerns goes a long way to promoting ethical leadership, uncovering anomalies and creating the conditions for the divulgement of malpractices.

Demonstrating one’s moral authority is another facet of ethical leadership.

Just last week we celebrated Youth Day, in memory of the youth of 1976.

By demonstrating against the apartheid regime’s heinous language policy, they used their moral authority to give the wheels of freedom a firm push.

Ethical leadership requires one to “Shape the Context.”

This has been one of the democratic government’s greatest battles.

The mainstream media does not always reflect the views of the majority of our citizens.

Over the last 23 years we have increased access to electricity to 86 percent of households by 2014. That amounts to over 5,8 million households since 2001.

In addition this over 2 million households benefited from the indigent support systems for electricity in 2014.

So while you may have heard many stories of Eskom in the media, its impact on over 5,8 million households does not make the headlines.

Nevertheless we continue to deliver better services to the majority of citizens, and tell that good story.

Our commitment to “Lead with Purpose” has exemplified the work of this democratic government.

I believe over the last 23 years we’ve largely acted in a manner that is both practical and principled.

As you may know, this year we mark what would have been the centenary of our former President Oliver Tambo.

Speaking to ANC cadres in 1977 he said:

“Comrades, you might think it is very difficult to wage a liberation struggle. Wait until you are in power. By then, you will realise that it is actually more difficult to keep the power than to wage a liberation war.”

Tambo’s warning rings true today as we get down to the realities of governing in a modern democracy, with its myriad of challenges.

It is at times of dissension that one’s leadership is tested.

The leadership of this government has seen off the worst that the apartheid regime could throw at it.

It has built a democratic country that is one of the freest and strongest democracies in Africa, and indeed the world.

We do believe that we have the nous to provide the ethical leadership that is required to take this country into its next trajectory of development.

One that will see the achievement of the National Development Plan and a better quality of life for all our citizens.

Ladies and Gentlemen,

I wish you well with your conference.

Continue to fly the flag for government high.

Your efforts in this sector are indeed commended and commendable.

I thank you.