



Province of the Eastern Cape  
OFFICE OF THE PREMIER

Office of the Premier Building | Independence Avenue | Bhisho | Eastern Cape  
Private Bag X0047 | Bhisho | 5605 | REPUBLIC OF SOUTH AFRICA | Website: [www.ecprov.gov.za](http://www.ecprov.gov.za)  
email: [DGsupport@ecotfp.gov.za](mailto:DGsupport@ecotfp.gov.za)

Ref: 11/1/1

Enquiries: Ms NB Manona 076 811 4978

**TO : ALL HEADS OF DEPARTMENTS**

Dear Colleagues

**PROHIBITION OF OFFICIALS FROM CONDUCTING BUSINESS WITH AN ORGAN OF STATE AND REMOVAL OF EMPLOYEES FROM THE E-DISCLOSURE SYSTEM**

The Provincial Integrity Management in the Office of the Premier is tasked with the responsibility to monitor the implementation of Chapter 2 & 3 of the Public Service Regulations, 2016 (PSR 2016) in provincial departments. This responsibility includes monitoring the prohibition of officials from trading with the state and monitoring of financial disclosures for all designated categories. The correspondence seeks to provide guidance on measures departments should implement to curb trading with government and improve financial disclosure compliance and performance in the province.

**A - PROHIBITION OF OFFICIALS FROM CONDUCTING BUSINESS WITH AN ORGAN OF STATE**

Chapter 2 & 3 of the Public Service Regulations, 2016 (PSR, 2016) give guidance on how to implement Ethics Management in Departments. According to Regulation 13 (c) on Ethical Conduct: 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 a director of a company listed in schedule 2 and 3 of the Public Finance Management Act.



## PROHIBITION OF OFFICIALS FROM CONDUCTING BUSINESS WITH AN ORGAN OF STATE AND REMOVAL OF EMPLOYEES FROM THE E-DISCLOSURE SYSTEM

Section 8 of the Public Administration and Management Act, (PAMA) also prohibits an employee from conducting business with the State or from being a director of a public or private company conducting business with the State. The Act further provides that a contravention of this prohibition is an offence, attaching a sentence of a period of imprisonment or a fine, and constitutes “serious misconduct”, which may result in termination of employment.

Departments must therefore ensure that the prohibition of officials from trading with government is maintained. It should also be emphasized that employees employed as part of the Learnership, and Internship programmes are regarded as officials of government for the duration of the programme and as such should not be regarded as non-conflicted in the departmental status reports. The entities registered under their names should be deregistered from the Central Supplier Database (CSD).

New incumbents assuming positions in departments should upon appointment be required to remove entities/companies from CSD within 14 days of appointment.

The following are the steps that must be followed:

- **The official must cease conducting business** with an organ of state; **resign** as a **director** of a company that conducts business with an organ of state; or **resign as an employee**.
- **The employee must submit proof** to the departments’ Ethics Officer that they have ceased conducting business or has resigned as a director of a company that conducts business with an organ of the state or resigned as an employee of the state.
- An employee who trades with the Provincial Government acts in contravention of the provisions of the above 2016 PSR and PAMA including the Public Service Code of Conduct and may be found guilty of a serious offence which might result in a fine or imprisonment and may constitute a serious misconduct, which may result in termination of their employment.



**B - REMOVAL OF EMPLOYEES FROM THE E-DISCLOSURE SYSTEM**


The disclosure of officials' financial interests for the next reporting cycle will be starting on 1<sup>st</sup> April 2024 for SMS and 01 June 2024 for levels 9 and 10, OSD equivalent to level 9 & 10 however for the process to run smoothly, departmental records must be cleaned and aligned to the DPSA database of officials in the e-Disclosure system.

All Ethics Officers in cooperation with HR officials are thus requested to consider e-Disclosure reports derived from the system in their respective Departments for all categories in order to identify employees that need to be removed from their lists and should no longer appear thereon. This process should take place before the opening of the financial disclosure submission period starting on 1<sup>st</sup> April 2024. The Department of Public Service and Administration will be assisting Provincial Departments with the removal of employees from the e-Disclosure system.

**C – REQUIRED ACTION**

1. Departments are thus required to report on the above measures to the Office of the Premier through the Ethics Officers' Forum and ensure zero tolerance of officials reflected on the CSD.
2. Departments are further requested to forward the list of officials to be removed from their departmental reports using the template that is attached together with PERSAL printouts showing the status of that employee. The lists can be emailed to: [edisclosure@dpsa.gov.za](mailto:edisclosure@dpsa.gov.za), [Mphol@dpsa.gov.za](mailto:Mphol@dpsa.gov.za) and copy [thandwa.ndzundzu@ecotp.gov.za](mailto:thandwa.ndzundzu@ecotp.gov.za)

Kind Regards,



**MBULELO SOGONI (MR)**  
**DIRECTOR-GENERAL**

16 November 2023

**DATE**

**CC : CHIEF DIRECTORS: CORPORATE SERVICES**

