

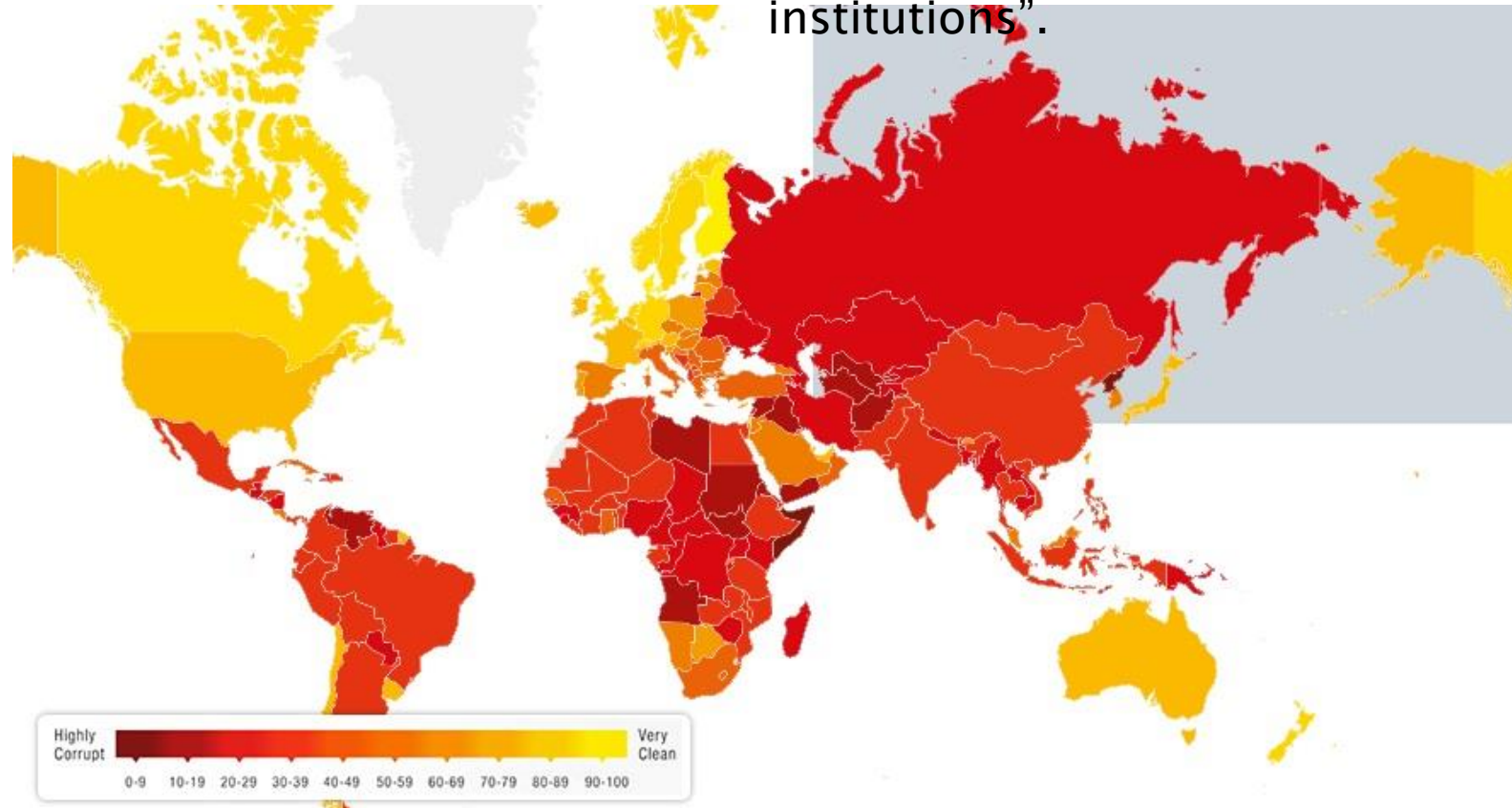


HOW TO STOP SCOURGE OF CORRUPTION?

Moloetsana Lecheko

CORRUPTION

“Corruption is a corrosive drain on public trust and on the legitimacy of public and private sector institutions”.



Corruption Perceptions Index 2015 Heat Map

WHAT IS CORRUPTION?

Corruption is the abuse of entrusted power for private gain.

Kickbacks/Extortion/Sweeteners – asked by someone in power

Bribery/Speed money/tjotjo– offered to a decision maker (Permits, license and regulatory environment)

Bid rigging collusive tendering (procurement/cartel)

Conflict of interest–Agent betrays and the principals interest in pursuit of one's own

Embezzlement– misappropriation of corporate or public funds

Gifts /hospitality

Theft (materials and equipment)

Facilitation fees (payments of goods and services in the country)

Front companies (joint ventures)

Conflict of interest (procurement)

Fraud– Theft through misrepresentation (cost cutting)



WHY PEOPLE DO CORRUPTION?



WHY IS THIS RELEVANT TO ENGINEERING/CONSTRUCTION INDUSTRY?

- Public works/engineering/construction sector has been identified as the most corrupt in the world.
- The cost of corruption is 5% of the global economy \$ 1.5 trillion a year (World Bank)
- The size of the engineering/construction industry = twice the German economy, larger than Japan's economy, about one third of US economy
- it's a three trillion dollar industry. The sums involved in major infrastructure projects are large and lots of players involved; project owners, governments, contractors, subcontractors, financing organisations

A BREEDING GROUND FOR CORRUPTION

WHO DOES IT AFFECT



- Everyone but more especially the **poorest of the poor** (unsafe RDP houses, use of dangerous construction methods, equipment, or materials)
- **Corruption kills democracy**– a serious threat to good governance, rule of law, peace and security, as well as development programmes aimed at tackling poverty and economic backwardness. “This more than stealing funds it is stealing trust”
- Main cause of political instability



HOW TO STOP THE SCOURGE?

In dealing with corruption a multidisciplinary approach must be implemented

Individuals

Educate members as to the true cost of corruption (the financial and human aspect)

Blow the whistle when you see corrupt activities

Advocacy and Awareness

Youth programmes

Ethics training

Associate only with ethical people, ethical companies



HOW TO STOP THE SCOR

Consulting Firms

- establishment of strong corporate governance
- Develop an ethical culture
- Associate only with ethical companies– legal requirement (UK Bribery Act, Foreign Corrupt Practices Act, Companies Act, King III)
- Hire ethical people (integrity pre and post employment screening)
- Institution of Regular and Random checks (risk, internal, controls)
- Whistleblower Hotline



EFFECTIVE ANTI-CORRUPTION COMPLIANCE PROGRAM

1. Conduct a risk assessment program
2. Develop a corporate anti-corruption policy
3. Implement anti-corruption policies and controls
4. Implement anti-corruption financial controls
5. Conduct anti-corruption compliance training
6. Re-assess risk and modify program

HOW TO STOP THE SCOURGE ?

Associations Building Integrity and raising Awareness

- Promotion and pursuance of social research and analysis and policy advocacy to analyse causes, effects and growth of corruption
- Enforcement of Code of Conduct and Disciplinary
- Codes in each sector
- Inspiring the youth, workers and employers towards intolerance for corruption
- Promotion of training and education in ethics
- Sustained media campaigns to highlight aspects of the strategies

HOW TO STOP THE SCOURGE ?

Preventing corruption

- Blacklisting of individuals, businesses and organisations who are proven to be involved in corruption
- Establishment of Anti-Corruption Hotline
- Establishment of Sectoral and other Hotlines
- Disciplinary action against corrupt persons
- Consistent monitoring and reporting on corruption
- Promotion of and implementation of sound ethical, financial and related management practices.

A signpost with two directional signs. The top sign is green with a yellow border and points left, labeled 'IGNORANCE'. The bottom sign is also green with a yellow border and points right, labeled 'KNOWLEDGE'. The signpost is a grey pole. The background is a blue sky with white clouds.

IGNORANCE

Ignorantia juris non
excusat

KNOWLEDGE

ETHICS

Ethics refers to principles that define behaviour as right, good and proper. Such principles do not dictate a single moral course of action, but provide a means of evaluating and deciding among competing options. i.e **your desire to be rich and honesty**

Our values are what we prize our value system order in which we prize them .

Values rank our likes and dislikes

We translate values into principles so they can guide and motivate ethical conduct.

Ethical principles are rules of conduct....CESA CODE OF CONDUCT AND ETHICS

SIX PILLARS OF CHARACTER

Respect

Civility, Courtesy and Decency
Dignity
Tolerance and acceptance

Loyalty

Limitation to loyalty
Prioritizing loyalties
Safeguarding confidential information
Avoiding conflict of interest

SIX PILLARS OF CHARACTER

Integrity-interger-undivided and complete
Reliability-Promise keeping

avoid bad faith excuses
avoid unwise commitments
avoid unclear commitments

Loyalty

Limitation to loyalty
Prioritizing loyalties
Safeguarding confidential information
Avoiding conflict of interest

SIX PILLARS OF CHARACTER

Trustworthiness

Honesty- Transparency

truthfulness-presenting the fact best of our knowledge

Sincerity-genuine

Candor-frankness

Uprightness

Play by the rules, without stealing, cheating, fraud, trickery, dishonesty

SIX PILLARS OF CHARACTER

Responsibility

Accountability
Pursuit of Excellence
Diligence
Continuous Improvement
Self restraint

Caring- is at the heart of ethics
Fairness-impartiality and Equity
Citizenship-civic virtues

ETHICAL DECISION-MAKING

Always make ethical decisions and ask yourself the following questions.

Conscience Test. What's my intuition or 'gut feel'? If it 'feels' bad, then it is bad! Does it fit with my personal values?

Common sense Test. The appropriateness of a practice or activity should be guided by common sense, conscience and sound judgment based on what CESA stands for?

Core Values and Beliefs. Does it align with our Core Values and Beliefs?

Safety Test: Could it directly or indirectly endanger someone or cause them harm?

Legality. Is it legal? If you think an action may be illegal, do not proceed. If you need information about which laws apply in a given situation, talk with your supervisor, manager or your Legal department.

Public scrutiny. If it were made public, would I be comfortable? If you wouldn't want to read about your action on the front page of national newspaper, social media and national television don't do it.

The family test: What would I tell my partner, parent or child to do?

Company policy. Does the action comply with company policies?

Core Values and Beliefs. Does it align with our Core Values?

When in doubt, ask!

"It takes 20 years to build
a reputation and five
minutes to ruin it. If you
think about that, you'll do
things differently." –
Warren Buffett

