



VICTOR KHANYE

LOCAL MUNICIPALITY – PLAASLIKE MUNISIPALITEIT

FRAUD PREVENTION STRATEGY 2017/18
--

Policy Number: A 030/09/2017	Approved Date: 03/10/2017
Resolution Number: A 030/09/2017	Review Date: 20/07/2017

Table of Contents

1. INTRODUCTION	3
2. BACKGROUND.....	3
3. POLICY STATEMENT.....	3
4. OBJECTIVES	3
5. SCOPE OF THE FRAUD PREVENTION PLAN AND STRATEGY	4
6. DEFINITION OF FRAUD AND CORRUPTION.....	4
7. FORMS OF CORRUPTION	4
7.1. Bribery	4
7.2. Embezzlement	4
7.3. Fraud	5
7.4. Extortion.....	5
7.5. Abuse of power	5
7.6. Conflict of interest	5
7.7. Abuse of privileged information.....	5
7.8. Favouritism	5
7.9. Nepotism.....	5
8. DEFINITION OF ELEMENTS OF FRAUD.....	5
9. FRAUD AND CORRUPTION STRATEGIES.....	6
9.1. STRUCTURAL STRATEGIES	6
9.2. OPERATIONAL STRATEGIES.....	7
9.3. MAINTENANCE STRATEGIES	15
ANNEXURE A.....	16
CODE OF CONDUCT FOR VICTOR KHANYE LOCAL MUNICIPAL EMPLOYEES	
.....	16
ANNEXURE B	22
FINANCIAL DISCLOSURE FORM	22
ANNEXURE C.....	26
GIFT REGISTER	26
ANNEXURE D.....	27
FRAUD PREVENTION PLAN AND STRATEGY (PLEDGE)	27

1. INTRODUCTION

Victor Khanye Local Municipality subscribes to the principles of good corporate governance, which require conducting business in an honest and transparent fashion.

The Municipality is also committed to fighting fraudulent behaviour at all levels within the Council.

The Fraud Prevention Plan and Strategy is premised on the Council's core ethical values driving the business of the Municipality, the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing Victor Khanye Local Municipality. This means that in practice all departments and other business units of the Municipality must be guided by the plan.

2. BACKGROUND

The provisions of Section 62 (1) (a) (i) of the Municipal Finance Management Act stipulates that the Accounting Officer is responsible for ensuring that the Municipality has and maintains effective, efficient and transparent system of financial and risk management and internal control.

Furthermore, Section 3.2.1 and 27.2.1 of the Treasury Regulations require that risk assessment is conducted on regular basis and a fraud risk management strategy, which includes a fraud prevention plan, be used to direct internal audit effort. The strategy must be clearly communicated to all employees to ensure that fraud risk management is incorporated into the language and culture of the Municipality.

3. POLICY STATEMENT

Fraud represents a significant potential risk to Victor Khanye Local Municipality's assets, service delivery efficiency and reputation. The Municipality subscribes to zero tolerance approach to fraud and corruption, it will not tolerate corrupt activities, whether internal or external to Council and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.

4. OBJECTIVES

The objectives of this plan and strategy is to:

- i. Guide employees and employer on the behaviour and activities that are acceptable and expected by Victor Khanye Local Municipality in achieving its Vision and Mission;
- ii. Assist Management to be aware of its responsibilities for establishing controls and procedures to prevent and detect fraud and corruption;
- iii. Provide assurance that all suspected fraudulent activity will be fully investigated; and
- iv. Provide some guidance on the steps / initiatives Management needs to take to prevent and combat fraud and corruption.

5. SCOPE OF THE FRAUD PREVENTION PLAN AND STRATEGY

The Fraud Prevention Plan and Strategy applies to all employees, councillors, stakeholders, contractors, vendors / suppliers and any party doing business with Victor Khanye Local Municipality.

6. DEFINITATION OF FRAUD AND CORRUPTION

In South Africa, the Common Law offence of fraud is defined as “the unlawful and intentional making of a misrepresentation which causes actual and or potential prejudice to another”. The term “fraud” is also used in a wider sense by the general public.

In this regard, the term is used in this document in its widest possible meaning and is intended to include all aspects of economic crime and acts of dishonesty. In other words, fraud can be described as any conduct or behaviour of which a dishonest representation and/or appropriation forms and element.

The general offence of corruption is contained in Section 3 of The Prevention and Combating of Corrupt Activities Act. This section provides that any person who gives or accepts or agrees or offers to accept / receive any gratification from another person in order to influence such other person in a manner that amounts to:

- i. The illegal or unauthorised performance of such other person’s powers, duties or functions;
- ii. An abuse of authority, a breach of trust, or the violation of a legal duty or a set of rules;
- iii. The achievement of an unjustified result; or
- iv. Any other unauthorised or improper inducement to do or not to do anything is guilty of the offence of Corruption.

Corruption in its wider meaning, and as referred to in this document, includes any conduct or behaviour where a person accepts, agrees or offers any gratification for him/her or for another person where the purpose is to act dishonestly or illegally. Such behaviour also includes the misuse of material or information, abuse of a position of authority or a breach of trust or violation of duty.

7. FORMS OF CORRUPTION

Corruption takes various forms in the public service and elsewhere in society. The following are examples of different types of corruption;

7.1. Bribery

Bribery involves the promise, offering or giving of a benefit that improperly affects the actions or decisions of public servants.

7.2. Embezzlement

This involves theft of resources by person who controls such resources.

7.3. Fraud

Any conduct or behaviour of which a dishonest representation and/or appropriation forms an element.

7.4. Extortion

Coercion of a person or entity to provide a benefit to a public servant, another person or entity, in exchange for acting (or failing to act) in a particular manner.

7.5. Abuse of power

The use by a public servant of his or her vested authority to improperly benefit another public servant, person or entity (or using vested authority to improperly discriminate against another public servant, person or entity)

7.6. Conflict of interest

The failure by a public servant to act or to consciously fail to act on a matter where the public servant has an interest or another person or entity that has some form of relationship with the public servant has an interest.

7.7. Abuse of privileged information

This involves the use, by a public servant of privilege information and knowledge that a public servant possesses as a result of his/her office to provide unfair advantage to another person or entity to obtain a benefit.

7.8. Favouritism

The provision of services or resources according to personal affiliation (for example cultural or religious) of a public servant.

7.9. Nepotism

A public servant ensuring that family members are appointed to public service positions or that family members receive contracts from the state, is regarded as nepotism.

These manifestations are by no means exhaustive as corruption appears in many forms and it is virtually impossible to list all of these.

8. DEFINITION OF ELEMENTS OF FRAUD

Fraud and corruption manifest in a number of ways and varying degrees of intensity. These include, but are not limited to:

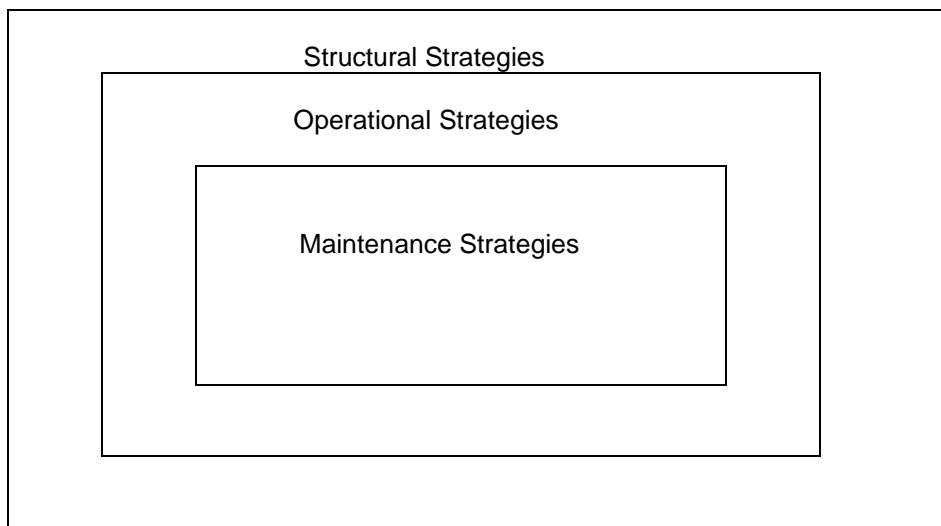
- i. Unauthorised private use of the Council's assets, including vehicles;
- ii. Falsifying travel and subsistence claims;
- iii. Conspiring unfairly with others to obtain a tender
- iv. Disclosing proprietary information relating to a tender to outside parties;
- v. Accepting inappropriate gifts from suppliers;
- vi. Employing family members or close friends;

- vii. Operating a private business in working hours;
- viii. Stealing equipment or supplies from work;
- ix. Accepting bribes or favours to process requests;
- x. Accepting bribes or favours for turning a blind eye to a service provider who does not provide an appropriate service;
- xi. Submitting or processing false invoices from contractors or other service providers; and
- xii. Misappropriating fees received from customers, and avoiding detection by not issuing receipts to those customers.

9. FRAUD AND CORRUPTION STRATEGIES

The approach in controlling fraud and corruption is focused into 3 areas, namely:

1. Structural Strategies
2. Operational Strategies; and
3. Maintenance Strategies.



9.1. STRUCTURAL STRATEGIES

Structural Strategies represent the actions to be undertaken in order to address fraud and corruption at the Structural Strategies.

9.1.1. Accounting Officer

The Accounting Officer bears the ultimate responsibility for fraud and corruption risk management within the Municipality. This includes ensuring of risk assessments, overseeing the investigation of suspected fraud and corruption, and facilitation for the reporting of such instances.

9.1.2. Employment and Councillors

Employees and Councillors of Victor Khanye Local Municipality are required to conduct themselves in an ethical and moral way. Ethics are concerned with human character and conduct and deal with questions of right and wrong, appropriate and inappropriate behaviour

and what constitutes a good or evil. Ethical conduct is based on a set of principles referred to as values or norms.

The collective ethical conduct of all the individual employees and Councillors of Victor Khanye Local Municipality reflects the Municipality's ethical conduct. In this regard, the highest standards of ethics are required by employees and Councillors when fulfilling their duties. The ethical principles contained in the Code of Conduct, Municipal Systems Act 32 of 2000 are applicable to all employees and Councillors of the Municipality.

It is the responsibility of every employee and Councillors to report all incidents of fraud and corruption that may come to his / her attention to his / her supervisor.

All reports received will be treated with the requisite confidentiality and will not be disclosed or discussed with parties other than those charged with investigation into such reports.

9.1.3. Management and Supervisors accountability

Senior management is to be committed to eradicating fraud and corruption and ensuring that the Municipality strives to be perceived as ethical in all its dealings with the public and other interested parties. In this regard, senior management, under the guidance of the Accounting Authority, will ensure that it does not become complacent in dealing with fraud and corruption and that it will ensure the Municipality's overall fraud and corruption strategy is reviewed and updated regularly. Furthermore, senior management will ensure that all employees and stakeholders are made aware of its overall anti-fraud and corruption strategies. All Managers are responsible for the detection, prevention and investigation of fraud and corruption, within their areas of responsibility.

The day to day responsibilities for the prevention and detection of fraud also rest with supervisors and line managers who are responsible for:

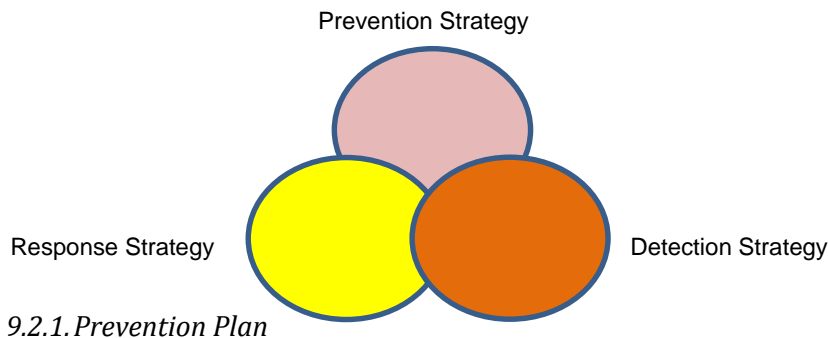
- i. Identifying the risks to which systems, operations and procedures are exposed.
- ii. Developing and maintaining effective controls to prevent and detect fraud and
- iii. Ensuring that controls are being complied with.

Managers and supervisors have an oversight responsibility for internal controls within their departments/units. Risk management and Internal Audit activity has no primary responsibility for establishing or maintaining internal controls. However, the effectiveness of internal controls are enhanced through the reviews performed and recommendations made by both sections. Head of Departments/units should ensure that recommendations made by internal Audit and any other assurance providers are fully implemented within a specified time.

9.2. OPERATIONAL STRATEGIES

There are three (3) Operational strategies that will be designed and implemented at the Municipality to deal with fraud and corruption at an operational level. These are namely, Prevention, Detecting and Response strategies. They will also include any existing controls

(system controls and manual internal controls) and those currently prescribed in existing policies, procedures and other relevant prescripts to the activities of the Municipality.



Fraud and corruption can be prosecuted after the fact, but first and foremost it requires prevention. The Municipality acknowledges the importance of utilizing its resources in the most effective and efficient manner and as such recognises prevention as the fundamental component of anti-corruption strategy.

The prevention efforts should focus on identifying controls to mitigate all three conditions:

- i. Opportunity
- ii. Rationalization, and
- iii. Pressure

The component of prevention encompasses, creation of anti-fraud culture/behaviour, training and awareness, policies and procedure, physical and information security, employee vetting and risk management

9.2.1.1. Fraud and corruption risk assessment

The risk of fraud needs to be actively managed. This involves identifying the potential for fraud and corruption and developing appropriate strategies to minimise the risk occurring.

The Municipality will conduct on an annual basis fraud and corruption risk assessments to identify potential fraud and corruption risk exposures within the Municipality. This process will ensure that actions to address the identified fraud and corruption risk exposures will be implemented to mitigate these exposures. The above will be formulated into Fraud Risk Assessment and which will provide an indication of how fraud and corruption manifested. A fraud and corruption risk register or the prioritised risks will be developed as well as actions to mitigate these risks.

9.2.1.2. Fraud detection reviews

The Municipality will also consider performing specific detection reviews in areas which are at high risk of unethical conduct, fraud and corruption on a regular basis. This will include awareness programmes and/or presentations to employees, including managers and/or supervisors, to ensure that they have a more detailed understanding of the risks associated

with these areas, thus also enhancing the prospect of detecting irregularities earlier. These include among others:

- i. Procurement of goods and services under urgent/emergency circumstances, rotation of trading partners;
- ii. Travel and subsistence and the overtime claims;
- iii. Conflicts of interest and private work declarations;
- iv. Compliance to delegations of authority;
- v. Payroll verifications; and
- vi. Internal controls to prevent abuse and misuse of Council's resources e.g. vehicles of the Council.

9.2.1.3. Employee awareness

The main purpose of fraud and corruption awareness workshops / training is to assist in the prevention, detection and Reporting of fraud and corruption by raising the level of awareness as to how fraud and corruption is manifested in the workplace. In this regard, all employees will receive training on the following:

- i. Fraud Prevention Plan;
- ii. Code of Conduct for employees;
- iii. Whistle blowing policy;
- iv. How to respond to fraud and corruption; and
- v. Manifestation of fraud and corruption in the workplace.

9.2.1.4. Council's systems, policies, procedures and regulations

The development of sound and effective systems, policies and procedures will assist in ensuring compliance with specific laws, rules, regulations and basic internal controls.

All employees and other stakeholders are expected to comply with the applicable policies and procedures. A fundamental risk in this area is the lack of knowledge, awareness, effective communication and training relating to existing systems, policies and procedure.

Non-compliance with policies and procedures is a risk with the potential to seriously impact the success of the Municipality's objectives. This will be addressed by developing clearly defined communication and training strategies to create awareness on all systems, policies and procedures in order to ensure that all employees are made aware of, and adequately trained in the implementation of the aforesaid systems, policies and procedures relevant to their areas of responsibilities, including:

- (a) Provisions for all employees to acknowledge, in writing, that they have read the policies and procedures applicable to their duties, have undergone relevant training and /or are aware of these policies and procedures;
- (b) The keeping of adequate records serving as proof that employees have been made aware of the policies and procedures relevant to their duties; and

- (c) The development and distribution of a regular communiqué outlining the importance of complying with policies and procedures and the implications for employees, for example – taking of corrective actions against offenders not complying with policies and procedures.

A structure monitoring mechanism will be developed by Corporate Services for keeping proper records of the policies and procedures that are being updated, and of new policies and procedures that are being developed in order to set clear targets and monitor progress.

9.2.1.5. Physical and information security

- i. Physical Security
The Municipality is conducting a regular detailed review of the physical security arrangements at its offices and improvement of weaknesses identified. Specific focus areas are physical security over infrastructure, assets and staff.
- ii. Information Security
The Municipality will ensure that all employees are sensitised on a regular basis to fraud and corruption risks associated with information security and the utilisation of computer resources, in particular – access control, and to ensure that systems are developed to limit the risk of manipulation of computer data.

Regular communiqué will be forwarded to employees pointing security policy, with a particular emphasis on e-mail and internet usage and the implications (e.g. disciplinary action) of abusing these and other computer related facilities. Disciplinary action will be taken when employees are found to have infringed on prevailing policies.

Regular reviews of information and computer security will also be considered. Weaknesses identified during these reviews will be addressed.

9.2.1.6. Pre-employment screening

Pre-screening will be carried out for all appointments, and evidence of such screening will be maintained by Corporate Services. Consideration should be given to the following pre-employment screening:

- i. Verification of identity
- ii. Police criminal history
- iii. Reference checks with the two recent employers – this will normally require telephone contact
- iv. A consideration of any gaps in employment history and the reasons for those gaps
- v. Verification of formal qualifications claimed.

Pre-employment screening will cover all new and prompted employees including those with administrative responsibilities or computer access. The screening will be performed by a person / people nominated by Corporate Services in conjunction with Accounting Officer to ensure that screening is consistent and appropriate.

Where an employee is prompted into a management position and has not been screened during the course of the previous one year, the applicant will be screened.

9.2.1.7. Recruitment procedures

Recruitment will be in accordance with the requisite recruitment procedure. It will be a transparent process and all appointments will be confirmed only after due recommendation. Any person, involved in any decision-making process, who may have a conflict of interest, must declare such a conflict in writing to Corporate Services and withdraw from any further procedures.

9.2.1.8. Internal controls

Internal controls are the first line of defence against fraud and corruption. While internal controls may not fully protect Municipality against fraud and corruption, they are essential elements in the overall Fraud Prevention Plan.

Internal control consists of all the measures taken by the Municipality for the purpose of:

- i. Protecting its resources against waste, fraud and inefficiency
- ii. Ensuring accuracy and reliability in accounting and operating data
- iii. Ensuring the efficiency of Municipality's processes and systems
- iv. Securing compliance with policies of the Municipality, and
- v. Evaluating the level of performance in all departmental/units of Victor Khanye Local Municipality.

All areas of operations require internal controls, for example:

9.2.1.9. Preventative Controls

These are divided into two sub-categories, namely Authorisation and Physical;

- (a) Authorisation
 - (i) All transactions require authorisation or approval by an appropriate responsible person.
 - (ii) The limits of these authorisations are specified in the delegations of authority for the Municipality as well as in various government prescripts.
- (b) Physical

These controls are concerned mainly with the custody of assets and involve procedures and security measures designed to ensure that access to assets are limited to authorised personnel.

9.2.1.10. Fraud and corruption prevention plan, strategy and policy

The actions set out in this plan are all focused at mitigating the risk of fraud and corruption at Victor Khanye Local Municipality.

9.2.1.11. Disclosure of interests

All officials and councillors at the Municipality will be required to disclose their specific personal assets and business interests on an annual basis. This register will be kept at Corporate Services.

9.2.2. Detection Plan

9.2.2.1. Detection Controls

These are divided into four categories, namely, Arithmetic and Accounting, Physical, Supervision and Management Information: and segregation of duties.

- (a) Arithmetic and Accounting
 - (i) These are controls within the recording function which check that transactions that are recorded and processed have been authorised, completed and that they are correctly recorded and accurately processed.
 - (ii) Such controls include checking the arithmetical accuracy of records, the maintenance and checking of totals, reconciliations, control amounts, and accounting of documentation.
- (b) Physical
 - (i) These controls relate to the security of records. They therefore underpin arithmetic and accounting controls.
 - (ii) Their similarity to preventive controls lies in the fact that these controls are also designed to limit access
- (c) Supervision

This control relates to supervision by responsible officials of day-to-day transactions and the recording thereof.
- (d) Management information
 - (i) This relates to the review of management accounts and budgetary control.
 - (ii) These controls are normally exercised by management outside the day-to-day routine of the system.

9.2.2.3 Segregation of Duties

- (a) One of the primary means of control is the separation of those responsibilities or duties that would, if combined, enable one individual to record and process a complete transaction, thereby providing him/her with the opportunity to manipulate the transaction irregularly and commit fraud and corruption.
- (b) Segregation of duties reduces the risk of intentional manipulation or error and increases the element of checking.
- (c) Functions that should be separated include those of authorisation, execution, custody, recording and in the case of computer-based accounting systems, systems development and daily operation.
- (d) Placed in context with fraud and corruption prevention, segregation of duties lies in separating either the authorisation or the custodial function from the checking function.

9.2.3 Reporting and monitoring

The Municipality has also recognised the fact that whistle blowers could be victimised by fellow employees or managers in contravention of the Protected Disclosure Act, without management being aware, for example, negative media publicity.

The Municipality has implemented a National Presidential Fraud Hotline and the Corruption Watch which is intended to achieve the following;

- (a) To deter potential fraudsters and corrupt individuals by making all employees and other stakeholders aware that the Municipality is not a soft target, as well as encouraging the participation of employee in supporting, and making use of this facility;
- (b) To raise the level of awareness that the Municipality is serious about fraud and corruption;
- (c) To detect fraud and corruption incidents by encouraging whistle blowers to report incidents which they witness;

- (d) To assist the Municipality in managing the requirements of the Protected Disclosure Act by creating an additional channel through which whistle blowers can report irregularities that they witness or which come to their attention; and
- (e) To further assist the Municipality in identifying areas of fraud and corruption risks so that preventative and detective controls can be appropriately improved or developed.

9.2.4 Response Plan

9.2.5.1 Investigating fraud and corruption

Dealing with suspected fraud and corruption

In the event that fraud or corruption is detected or suspected, investigations will be initiated, and if warranted, disciplinary proceedings, prosecution or action aimed at the recovery of losses will be initiated.

9.2.5.1.1 Investigations

Any reports of incidents of fraud and / or corruption will be confirmed by an independent investigation. Anonymous reports may warrant a preliminary investigation before any decision to implement an independent investigation is taken.

Investigations will be undertaken by appropriately qualified and experienced persons who are independent of the department / section where investigations are required. This may be a senior manager within the department itself, an external consultant or law enforcement agency. All investigations performed and evidence obtained will be in accordance with acceptable practices and legal requirements. Independence and objectivity of investigations are paramount.

Any investigation initiated must be concluded by the issue of a report by the person/s appointed to conduct such investigations. Such reports will only be disseminated to those persons required to have access thereto in order to implement whatever action appropriate as a result of the investigation.

Investigations may involve one or more of the following activities:

- i. Interviewing of relevant witnesses, internal and external, including obtaining statements where appropriate;
- ii. Reviewing and collating documentary evidence;
- iii. Forensic examination of computer systems;
- iv. Examination of telephone records;
- v. Enquiring from banks and other financial institutions (subject to the granting of appropriate approval/Court orders);
- vi. Enquiries with other third parties;
- vii. Data search and seizure;
- viii. Expert witness and specialist testimony;
- ix. Tracing funds / assets / goods;
- x. Liaison with the police or other law enforcement or regulatory agencies;
- xi. Interviewing persons suspected of involvement in fraud and corruption; and

xii. Report preparation

Any investigation into improper conduct within the Department will be subject to an appropriate level of supervision by a responsible committee, having regard to the seriousness of the matter under investigation.

9.2.5.1.2 Disciplinary proceedings

The ultimate outcome of disciplinary proceedings may involve a person/s receiving written warnings or the termination of their services. All disciplinary proceedings will take place in accordance with the procedures as set out in the disciplinary procedures.

9.2.5.2.3 Prosecution

Should investigation uncover evidence of fraud or corruption in respect of an allegation or series of allegations, Victor Khanye Local Municipality's legal section will review the facts at hand to determine whether the matter is one that ought to be reported to the relevant law enforcement agency for investigation and possible prosecution. Such reports must be submitted to the South African Police Service in accordance with the requirements of all applicable acts. Victor Khanye Local Municipality will give its full co-operation to any such law enforcement agency including the provision of reports compiled in respect of investigations conducted.

9.2.5.2.4 Recovery action

Where there is a clear evidence of fraud or corruption and there has been a financial loss to Council, recovery action, criminal, civil or administrative, will be instituted to recover any such losses.

In respect of civil recoveries, costs involved will be determined to ensure that the cost of recovery is financially beneficial.

9.2.5.2.5 Internal control review after discovery of fraud

In each instance where fraud is detected, Line Management will reassess the adequacy of the current internal control environment (particularly those who controls directly impacting on the fraud incident) to consider the need for improvements.

The responsibility for ensuring that the internal control environment is reassessed and for ensuring that the recommendations arising out of its assessment are implemented will lie with Heads of departments/Units.

9.3 MAINTENANCE STRATEGIES

9.3.1 Review of the effectiveness of the Fraud Prevention Plan and Strategy

The Victor Khanye Local Municipality will conduct a review of the Fraud Prevention Plan annually to determine the effectiveness thereof. The accounting Officer is the ultimate accountable for this review.

9.3.2 Review and updating the Fraud Prevention Plan and Strategy

A central part of any fraud and corruption control programme should involve an ongoing review of fraud and corruption risk exposures. Fraud and Corruption risk assessments will also be conducted annually at the time as the review of the Fraud Prevention Plan and Strategy. The Accounting Officer is responsible for the review of the Fraud Prevention Plan and Strategy.

ANNEXURE A

VICTOR KHANYE

LOCALMUNICIPALITY – PLAASLIKE MUNISIPALITEIT



CODE OF CONDUCT FOR VICTOR KHANYE LOCAL MUNICIPAL EMPLOYEES

1. INTRODUCTION

Victor Khanye Local Municipality adopts the code of conduct as legislated in the Local Government Municipal Systems Act, 32 of 2000, Schedule 2.

2. PURPOSE

To promote ethical conduct, practices and standards within the municipality and also to ensure that municipal employees subscribes and comply with relevant legislations.

3. SCOPE OF APPLICATION

This code is applicable to all persons employed by Victor Khanye Local Municipality.

4. LEGISLATIVE MANDATES

- Labour Relations Act, 66 of 1995
- Local Government Municipal Systems Act, 32 of 2000
- Constitution of the Republic of South Africa, Act 108

5. PRINCIPLES OF CONDUCT

5.1 Definitions:

In this Section “partner” means a person who permanently lives with another person in a manner as if married.

5.2 General conduct

The Employee must at all times:

5.2.1. Loyally execute the lawful policies of the Executive Authority of the Municipality;

5.2.2 Perform the functions of office in good faith, diligently, honestly and in a transparent manner;

5.2.3 Act in such a way that the spirit, purpose and objects of section 50 of the Municipal Systems Act are promoted;

5.2.4 Act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised, and

5.2.5 Act impartially and treat all people, including other employees, equally without favour or prejudice. (Section 50 of the Local Government Municipal Systems Act stipulates that local public administration is governed by the democratic values and principles embodied in Section 195 (1) of the Constitution) Democratic values and principles as per the Constitution of the Republic of South Africa

- A high standard of professional ethics must be promoted and maintained
- Efficient, economic and effective use of resources must be promoted
- Public administration must be development -orientated
- Services must be provided impartially, fairly, Equitably and without bias
- People's needs must be responded to, and the public must be encouraged to participate in policy making
- Public administration must be accountable
- Transparency must be fostered by providing the public with timely, accessible and accurate information

- Good human resource management and career development practices, to maximize human potential must be cultivated
- Public administration must be broadly representative of the South African people with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalance of the past to achieve broad presentation.

5.3 Commitment to serving the public interest.

5.3.1 The Employee is a public servant in a developmental local system, and must accordingly:

- a) foster a culture of commitment to serving the public and a collective sense of responsibility for performance in terms of standards and targets;
- b) promote and seek to implement the basic values and principles of public administration described in section 195(1) of the Constitution;
- c) obtain copies of or information about the municipality's integrated development plan, and as far as possible within the ambit of the Employee's job description, seek to implement the objectives set out in the integrated development plan, and achieve the performance targets set for each performance indicator;
- d) Participate in the overall performance management system for the municipality, as well as the Employee's individual performance appraisal and reward system, if such exists, in order to maximize the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents.

5.4 Personal gain

5.4.1 The Employee may not:

- 5.4.1.1 Use the position or privileges of an Employee, or confidential information obtained as an Employee for private gain or to improperly benefit another person, or
- 5.4.1.2 Take a decision on behalf of the municipality concerning a matter in which the Employee or the Employee's spouse, partner or business associate, has a direct or indirect personal or private business interest.

5.4.2 Except with the prior consent of the council of a municipality, the Employee may not:

5.4.2.1 Be a party to a contract for:

5.4.2.1.1 The provision of goods or services to the municipality, or

5.4.2.1.2 The performances of any work for the municipality otherwise than as an Employee;

5.4.2.2 Obtain a financial interest in any business of the municipality, or

5.4.2.3 Be engaged in any business, trade or profession other than the work of the municipality. Prior consent must be obtained from the Municipal Manager, if the matter has to happen.

6. DISCLOSURE OF BENEFITS

The Employee must disclose in writing full particulars of the benefit to the Employee, his/her spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality. This item does not apply to a benefit which the Employee or a spouse, partner, business associate or close family member has or acquires in common with all other residents of the municipality.

7. UNAUTHORIZED DISCLOSURE OF INFORMATION

The Employee may not without permission disclose any privileged or confidential information obtain as the Employee of the Municipality to an unauthorized person.

For the purpose of this item “privileged or confidential information” includes any information:

- determined by the Executive Authority of the municipality to be privileged or confidential;
- discussed in closed session by the Council or a committee of the Council;
- disclosure of which would violate a person’s right to privacy, or
- Declared to be privileged, confidential or secret in terms of any law.

This item does not derogate from a person’s right to access to information in terms of national legislation.

8. UNDUE INFLUENCE

The Employee may not:

- unduly influence or attempt to influence the council of the municipality, or a structure or functionary of the council, or a councillor, with a view to obtaining any appointment, promotion, privilege, advantage or benefit, or for a family member, friend or associate;
- mislead or attempt to mislead the council, or a structure or functionary of the council, in its consideration of any matter, or
- Be involved in a business venture with a councillor without the prior written consent of the council of the municipality.

9. REWARDS, GIFTS AND FAVOURS

- i. The Employee may not request, solicit or accept any reward, gift or favour for:
 - persuading the council of the municipality, or any structure or functionary of the council, with regard to the exercise of any power or the performance of any duty;
 - making a representation to the council, or any structure or functionary of the council;
 - disclosing any privileged or confidential information, or
 - Doing or not doing anything within that Employee's powers or duties.
- ii. The Employee must without delay report to his Supervisor any offer, which if accepted by the Employee, would constitute a breach of sub-clause (14.1).

10. COUNCIL PROPERTY

The Employee may not use, take, acquire, or benefit from any property or asset owned, controlled or managed by the municipality to which he has no right.

11. PAYMENT OR ARREARS

The Employee may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months, and a municipality may deduct any outstanding amounts from the Employee's salary after this period.

12. PARTICIPATION IN ELECTIONS

The Employee may not participate in an election of the council of the municipality, other than in an official capacity or pursuant to any constitutional right.

13. SEXUAL HARASSMENT

The Employee may not embark on any action amounting to sexual harassment.

14. REPORTING DUTY

Whenever the Employee has reasonable grounds for believing that there has been a breach of this Code of Conduct by any other municipal employee, reporting to her or not, the Employee must without delay report the matter to the relevant Executive Director or the Municipal Manager.

I _____ (Full Names and

Surname) agree that I have read and understood the code of conduct for Victor Khanye Local Municipality as it is stipulated in the Local Government Municipal Systems Act, 32 of 2000. I understand that this is the code that governs all municipal employees.

SIGNATURE

DATE

ANNEXURE B

CONFIDENTIAL

FINANCIAL DISCLOSURE FORM

Year:
2017/2018

I, the undersigned (surname and initials)

(Postal address)

(Residential address)

(Position held)

Tel: _____ Fax: _____

Hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions.)

See information sheet: note (1)

Number of shares/Extent of financial interests	Nature	Nominal Value	Name of Company/Entity

2. Directorships and partnerships

See information sheet: note (2)

Name of corporate entity, partnership or firm	Type of business	Amount of Remuneration/ Income

CONFIDENTIAL

3. Remunerated work outside the Government

Must be sanctioned by MM. See information sheet: note (3)

Name of Employer	Type of Work	Amount of remuneration/ Income

4. Consultancies and retainerships

See information sheet: note (4)

Name of client	Nature	Type of business activity	Value of any benefits received

5. Sponsorships

See information sheet: note (5)

Source of assistance/sponsorship	Description of assistance/ Sponsorship	Value of assistance/sponsorship

6. Gifts and hospitality from a source other than a family member

See information sheet: note (6)

Description	Value	Source

7. Land and property

See information sheet: note (7)

Description	Extent	Area	Value

SIGNATURE OF EMPLOYEE

DATE: _____

PLACE: _____

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer _____

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer _____

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer _____

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

Commissioner of Oath /Justice of the Peace

Full first names and surname:

_____ (Block letters)

ANNEXURE C

VICTOR KHANYE

LOCALMUNICIPALITY – PLAASLIKE MUNISIPALITEIT



GIFT REGISTER

2017/18 FINANCIAL YEAR

Gift and hospitality from a source other than a family member

Description	Received From	Date Received	Value

ANNEXURE D

FRAUD PREVENTION PLAN AND STRATEGY (PLEDGE)

I, being a staff member / Councillor of Victor Khanye Local Municipality realise that fraud and corruption diverts scarce resources from the citizens of Delmas who need it most. To avoid and prevent fraudulent activities I choose to make the correct choices and adhere to the following principles:

1. I shall undertake to work with pride and dignity in my job, and to make Victor Khanye Local Municipality crime free.
2. I understand my responsibilities to report any fraudulent irregularities to my Manager / Supervisor who shall treat my report confidentially and provide protection if necessary, in terms of the Protected Disclosure Act of 2000;
3. I choose not to accept or pay any bribes;
4. I will not abuse this office for private gain;
5. I understand the need to read and comply with the Code of Conduct enshrined in the Municipal Systems Act 32 of 2000 as amended.
6. I will work diligently for Victor Khanye Local Municipality at all times to the best of my ability;
7. I will provide the very best service possible and build goodwill with all our fellow employees and stakeholders.

I have received, discussed and understood the Code of Conduct, Fraud Prevention Plan and Strategy and will uphold the Ethical principles contained therein.

I have read and understood the above contents.

Name: _____

Pay Number: _____

Date: _____

signed: _____