

# **MOPANI DISTRICT MUNICIPALITY**



## **ANTI-FRAUD AND CORRUPTION STRATEGY 2022/2023**

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## 1. Glossary

In this strategy the following terminology will be used:

“**MDM**” means Mopani District Municipality

“**Fraud**” can be defined as the unlawful and intentional making of a misrepresentation which causes actual or potential prejudice to another.

“**Corruption**” can be defined as the misuse of entrusted power for private gain. This can include taking bribes to award a contract, favouritism, nepotism, victimisation and aiding suppliers to commit fraud.

“**Accounting Officer**” means- the Municipal Manager of a Municipality

“**Employee/Official**” means a person who works for the employer and receives any remuneration and any other person who in any manner assists in carrying on or conducting the business of the employer excluding an independent contractor.

“**Employer**” means a person who employs or provides work for any other person and undertakes to remunerate such person

“**Municipality**” means a local or district municipality in terms of section 2 of the Municipal Structures Act

“**Whistle blower**” means a person who has made s disclosure in terms of this policy or the Act

“**POPIA**” means protection of personal information.

“**Bribery**” means accepting any gratification from any person which was not legally due in order to perform an act which was to the advantage of the giver of the gratification.

“**Theft/embezzlement**” this happens when resources are stolen by persons who are entrusted with the authority and control of such resources.

“**Extortion**” means coercion of a person to provide a benefit to a public servant, another person or an entity in exchange for acting or failing to act in a particular manner.

“**Abuse of power**” is the use by a public servant of this his/her vested authority to improperly benefit another public servant.

“**Conflict of interest**” refers to when a public servant acts or fails to act on a matter where the public servant has an interest or another person or entity that stands in a relationship with the public servant has an interest.

“**Abuse of privileged information**” this involves the use by a public servant of privileged information and knowledge that a public servant possesses as a result of his/her office to provide unfair advantage to another person to obtain a benefit.

“**Favouritism**” means the provision of services or resources according to personal affiliation of public servant.

“**Nepotism**” refers to when a public servant ensures that family members are appointed to public servant positions or that family members receives state contracts.



## **2. Preamble**

The Mopani District Municipality has committed to strive and create working environment which is intolerant to fraud and corruption free. This Anti-fraud and Corruption Strategy have been developed to facilitate the development of controls which will assist in the prevention and detection of fraud and corruption activities as well as to provide guideline as to how to respond to such activities should it materialize.

Furthermore, the Anti - fraud and Corruption Strategy seeks to focus attention at the macro strategic level in the first instance. It then provides a schema for assessing matters and actions to be addressed at the detailed level. It is important to note that the strategy is highly prescriptive in its nature.

## **3. Purpose of the Strategy**

The purpose of this strategy is to provide guidance to enable MDM to implement anti-fraud and corruption strategy and to develop an anti- fraud and corruption response plan to combat fraud and corruption. The strategy recognises basic fraud and corruption prevention strategies which are currently in place within the municipality. The Anti-Fraud and Corruption Strategy covers the following:

- Provision of a focus point and allocation of accountability and authority.
- Provides a common understanding of what constitutes fraud
- Raises vigilance, which means that staff and managers need to be actively involved on an ongoing basis in preventing and detecting fraud. Without their support, fraud prevention will fail. Their support can be achieved by increasing awareness, encouraging involvement and developing a staff fraud reporting process;
- Uncover the facts, which refer to the processes and skills, required to manage a fraud allegation and methods on how to institute with investigations.
- Fraud and Corruption Control Strategies, namely, Structural, Operational, Maintenance Strategies.

## **4. Regulatory Framework**

The following legislation and prescripts govern the development of the Anti- fraud and corruption Strategy:

- Municipal Finance Management Act 56 of 2003
- Local Government: Municipal Systems Act No. 32 of 2000

- Local Government: Municipal Structure Act No.117 of 1998
- Prevention and Combating of Corrupt Activities Act, 12 of 2004
- Prevention of Organised Crime Act, 121 of 1998 (POCA)
- Financial Intelligence Centre Act, 38 of 2001 (FICA)
- Protection of Constitutional Democracy Against Terrorist and Related Activities Act, Act 33 of 2004 ("POCDATARA")
- Protected Disclosure Act, 26 of 2000
- Promotion of Access to Information Act, 2 of 2000
- Municipal Finance Management Act, 56 of 2003
- Local Government Anti-Corruption Strategy
- Protection of Personal Information Act, 2013

## **5. What are the contributing factors of fraud and corruption**

There are various factors that causes fraud and corruption to arise within the municipality. Below might be e as some of the contributing factors.

### **5.1 Opportunity**

Lack of internal controls, poor control environment, lack of proper segregation of duties, etc, are all examples of opportunities in the work environment, which increase the likelihood of fraud.

### **5.2 Incentive/Pressure**

Incentive/pressure is to a large extent unresponsive to management intervention. Management can however through increased focus on the control environment and internal controls increase the incentive/pressure threshold. The incentive/pressure threshold can be defined as the quantified cut-off before a person will commit fraud. Although each individual will have a different threshold, management can raise the average threshold of an entity by his or her attitude and response towards the occurrence of fraud

### **5.3 Greedy**

This form of behaviour exercised by someone who wants more of something than he is entitled to.

### **5.4 Rationalization**

Is the mechanism that allows for people to eliminate the inconsistency of what they do from what they know they should do, example employee who handles cash borrow him/herself money without permission and put it back.

## **6. Components of anti - fraud and corruption**

The components of the municipality's fraud strategy consist of the following:

- Prevention
- Detection
- Investigation, and
- Response.

## **7. Actions constitute to corruption**

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

- Conspiring unfairly with others to obtain a tender;
- Disclosing proprietary information relating to a tender to outside parties;
- Accepting inappropriate gifts from suppliers;
- Employing family members or close friends over another more qualified applicant;
- Accepting bribes or favours to process requests;
- Accepting bribes or favours for turning a blind eye to a service provider who does not provide an appropriate service;
- Conflict of interest

### **7.2 Actions constitute to fraud**

**These include, but are not limited to:**

- Unauthorised private use of the Municipality's assets, including vehicles;
- Falsifying travel and subsistence claims;
- Submitting or processing false invoices from contractors or other service providers; and
- Misappropriating fees received from customers, and avoiding detection by not issuing receipts to those customers;
- Falsifying work hours to achieve fraudulent overtime payment;
- Fictitious or ghost employees on the payroll;

- Leave days not recorded on the leave register to accumulate more leave days;
- Over/under estimating percentage of work completed on long term contracts;
- Operating a private business during working hours;
- Adding private expenses to legitimate;
- Improper changes of supplier payment terms or other supplier details

## **8. Essential elements of preventing fraud and corruption**

Implementation of the fraud strategy can only be effected through a series of interrelated steps. The success of implementing the strategy will rely on the implementation of some of the document listed below.

- Anti-Fraud and Corruption Policy (attached as Appendix A)
- Whistle Blowing Policy(attached as Appendix B)
- Fraud Prevention and Response Plan(attached as Appendix C)
- Code of Conduct for municipal staff (attached as Appendix D)
- Code of Conduct for municipal councillors(attached as Appendix E)
- Declaration of Interest by Officials(attached as Appendix F)
- Declaration of Interest by Councillor(attached as Appendix G)
- Disclosure of interest form (attached as Appendix H)
- Set up of register of Declaration of gifts, interests etc (this must be ongoing and the register can be obtain in the office of Supply chain management unit)
- Screening of employees before appointment
- Vetting of qualifications of applicant before appointment
- Promoting fraud and corruption hotline
- Implementing labour relation policy
- Strengthening of MDM disciplinary processes

## **9. Strategy Administration**

The effectiveness of the strategy will be reviewed annually or if need be by Risk Management Committee and approved by Council.



## **Appendix A: Anti - Fraud and Corruption Policy**

### **A1. Background**

This policy is established to facilitate the development of controls which will assist in the prevention and detection of fraud and corruption, as well as provide guidelines as to how to respond should instances of fraud and corruption be identified. This policy is also established to give effect to the various legislative instruments as described in the previous section.

### **A2.Scope of the Policy**

This policy applies to all employees, stakeholders, contractors, vendors / suppliers and any other party doing business with the Municipality.

### **A3. Purpose of the policy**

It is the policy of the Municipality that fraud, corruption, maladministration or any other dishonest activities of a similar nature will not be tolerated. Such activities will be investigated and actions instituted against those found responsible. Such actions may include the laying of criminal charges, civil and administrative actions and the institution of recoveries where applicable.

Prevention, detection, response and investigative strategies will be designed and implemented. These will 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.

It is the responsibility of all employees to report all incidents of fraud and corruption that may come to his / her attention to his / her supervisor. Alternatively, such reports can be made by way of submitting a report through the prescribed whistle blowing mechanism.

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.

All Managers are responsible for the prevention, detection and investigation of fraud and corruption, within their areas of responsibility.

### **A4.Fraud and Corruption control strategies**

The approach in controlling fraud and corruption is focused into 4 areas, namely:

- Structural Strategies;
- Operational Strategies;
- Prevention Strategies and
- Detection Strategies

### **A5.Structural strategies**

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

#### **A5.1Responsibilities for fraud and corruption risk management**

The following section outlines the fraud and corruption risk management responsibilities associated with different roles within the Institution.

##### **A5.1.1 Accounting Officer**

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

##### **A5.1.2 Anti-Fraud and Corruption Committee**

The role of the Anti-Fraud and Corruption Committee is to oversee the Municipality's approach to fraud prevention, fraud detection strategies and response to fraud and corruption incidents reported by employees or other external parties. The various business units should have representation on this committee. The Internal Auditor shall be a compulsory member. In the absence of Anti- Fraud and corruption Committee the Risk Management Committee will be tasked to perform the duties of the said committee

The Anti-Fraud and Corruption Committee shall meet at least once in a quarter to discuss the following issues:

- Progress made in respect of implementing the Anti-Fraud and Corruption Strategies and Fraud Prevention Plans;
- Reports received by the Municipality regarding fraud and corruption incidents with the view to making any recommendations to the Accounting Officer and Chairperson of the Audit Committee;
- Reports on all investigations initiated and concluded; and
- All allegations received via the hotline.

### **A5.1.3 An ethical culture**

The Municipality is required to conduct itself 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 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 of the Municipality reflects on its ethical conduct. In this regard, the highest standards of ethics are required by employees when fulfilling their duties.

Good governance indicates that institutions should develop codes of conduct (ethics) as part of their corporate governance frameworks. All employees are expected to abide by the Code of Conduct for Municipal Staff whereas all municipal councillor are also expected to abide by the Code of Conduct for municipal Councillors. These document are attached as appendixes on the document.

### **A.5.1.4 Senior management commitment**

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 will ensure that all employees and stakeholders are made aware of its overall anti - fraud and corruption strategies through various initiatives of awareness and training.

### **A.5.1.5 Assessment of fraud and corruption risk**

The Municipality, under the guidance of the Accounting Officer and the Chairperson of the Anti-Fraud and Corruption Committee, will conduct annual fraud and corruption risk assessments to identify potential fraud and corruption risk exposures to 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 risks are manifested and, a “Fraud and Corruption Risk Register” which will prioritise the fraud and corruption risks and indicate actions to mitigate these risks.

### **A.5.1.5 Creating 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 and councillors will receive training on the following:

- Anti-Fraud and Corruption strategy;
- Code of Conduct for Municipal Employees;
- Code of Conduct for Municipal Councillors;
- Whistle blowing policy;
- Fraud Prevention and Response Plan(How to respond to fraud and corruption); and
- Manifestations of fraud and corruption in the workplace.

The Municipality will identify the individual that would be responsible for employee awareness and that will arrange and schedule awareness sessions throughout the year.

## **A6.Operational strategies**

### **A6.1 Internal controls**

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

All areas of operations require internal controls, for example:

- Physical controls (securing of assets);
- Authorisation controls (approval of expenditure);
- Supervisory controls (supervising day-to-day issues);
- Analysis of data;
- Monthly and annual financial statements;
- Reconciliation of bank statements, monthly; and
- Reconciliation of vote accounts, monthly.

The Internal Audit Activity will be responsible for implementing an internal audit program which will incorporate steps to evaluate adherence to internal controls.

## **A7. Prevention strategies**

A number of combined initiatives result in an overall preventative environment in respect of fraud and corruption. These include the following:

## **A7.1 Employee awareness**

Employee awareness of the Municipality's Anti-Fraud and Corruption Strategy, Code of Conduct, Whistle blowing policy and the manifestation of fraud and corruption in the workplace all assist in the creation of an environment which may be considered to be hostile to a would-be transgressor. An awareness will be done in a form of newsletters and workshops.

## **A.7.2 Pre-employment screening**

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

- Verification of identity.
- Police criminal history.
- Reference checks with the two most recent employers – this will normally require telephone contact or completion of questionnaires.
- A consideration of any gaps in employment history and the reasons for those gaps.
- Verification of formal qualifications claimed.

The Municipality's policy of pre-employment screening will cover all new and promoted employees including those with administrative responsibilities or computer access. The screening will be performed by the Chief Risk Officer to ensure that screening is consistent and appropriately . Screening will be conducted in accordance with the classification of the employee or the levels of screening outlined below.

Where an employee is promoted into a management position and has not been screened during the course of the previous three years, the applicant will be re-screened. The levels of screening include:

### Level 1 – All employees (including those with administrative functions or computer access)

- Verification of claimed educational qualifications;
- An independent reference check directly with two referees nominated by the applicant or previous employers; and
- Criminal history checks (after authorisation has been obtained from the prospective employee).

### Level 2 – All Section 56 & 57 Managers, Managers, Assistant Directors, and Budget and Treasury

- All Level 1 checks;
- Employment history checks;

- Directorship and membership searches; and

### **A.7.3. Recruitment procedures**

Recruitment will be conducted 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 the Human Resources Management and withdraw from any further procedures.

### **A.7.4. Internal audit plan**

A robust Internal Audit plan, which focuses on the prevalent high Fraud and Corruption risks, serves as an effective preventative measure. The Internal Audit Activity will compile such a plan on an annual basis, and such a plan will also include “surprise audits”.

### **A.7.5 Fraud and corruption prevention plan**

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

### **A.7.6 Disclosure of interests**

All officials be it councillors within the municipality are required to disclose their specific personal assets and business interests on an annual basis. This register will be kept with the Accounting Officer. Officials may not perform any private work outside of public service without prior approval of the Accounting Officer.

### **A.7.7 Gift policy**

A gift policy should be developed and implemented in order to ensure that both the acceptance and offering of business courtesies including gifts by all MDM’s employees only occurs within the ethical standard as prescribed by MDM. The gift policy should outline the amount the employee should disclosure on the gift register.

### **A.7.8 Trading partners/Service Providers/Suppliers**

All contractors, suppliers or service providers are expected to adhere to the principles contained in the policy although MDM has limited legal rights to enforce these principles on trading partners. The approach that will be used in ensuring that the municipality is not imposed with the risk of dealing business with untrustworthy suppliers. All suppliers that

on the municipality's database will be subject to pre-screening of business credentials prior appointment.

## **A.8 Detection strategies**

Detection of fraud and corruption may occur through:

- Vigilance on the part of employees, including line management;
- The Internal Audit Activity;
- Ad hoc management reviews;
- Anonymous reports; and
- The application of detection techniques(e.g. reconciliations, audits, system reports)

The individual identified at the Municipality will be responsible for developing detection strategies, and will work closely with line management and the Internal Audit Activity for this purpose.

The Municipality will embark on a number of initiatives to detect fraud and corruption in the workplace.

### **A.8.1 Internal Audit**

Similar to the prevention strategies, a robust Internal Audit plan which focuses on the prevalent high Fraud and Corruption risks also serves as an effective detection measure. As part of the detection strategy, the Internal Audit plan will cover the following:

- Surprise audits: Unplanned audits conducted on specific business processes throughout the year;
- Post-transaction reviews: A review of transactions after they have been processed and completed can be effective in identifying fraudulent or corrupt activity. In addition to the possibility of detecting fraudulent transactions, such a strategy can also have a significant fraud prevention effect as the threat of detection may be enough to deter a staff member who would otherwise be motivated to engage in fraud and corruption;
- Forensic data analysis: The Municipality's computer system is an important source of information on fraudulent and sometimes corrupt conduct. Software applications will be used during internal audits, surprise audits and post-transaction reviews to assist in detecting any possible fraud and corruption; and
- Management accounting reporting review: Using relatively straightforward techniques in analysing the Municipality's management accounting reports, trends can be examined and investigated which may be indicative of fraudulent conduct. Some examples of the types of management accounting reports that can be utilised on a compare and contrast basis are:
  - Budget reports for each programme/ responsibility;

- Reports comparing expenditure against public sector benchmarks; and
- Reports highlighting unusual trends in bad or doubtful debts.

The Municipality will implement a strategy to ensure appropriate management accounting report reviews are conducted.

### **A.8.2 External audit**

The Municipality recognises that the external audit function is an important control in the detection of fraud. The Accounting Officer will need to hold discussions with all engaged external auditors to ensure that due consideration is given, by the auditors, to ISA 240 *“The Auditors’ Responsibility to Consider Fraud in the Audit of a Financial Statement”*.

### **A.9 Enforcement of the Policy**

The enforcement of this policy lies within each and every employee, councillor and trading partners. The policy shall be effective from the date of approval and it will be reviewed on an annual basis or when a need arise.



## **Appendix B: Whistle Blowing Policy**

### **B1. Introduction**

The Mopani District Municipality is committed to the highest standards of transparency and accountability. It is therefore expected that all employees (including third parties) who have serious concerns about MDM business practices, to come forward and voice those concerns.

Employees are often the first to realise that there may be “something seriously wrong” in the institution for which they work. However, should they decide not to express their concerns because they may feel that speaking up would be disloyal to their colleagues or that it may be easier to ignore the concern rather than report what may just be a suspicion of misconduct, could also be guilty of a serious offence. An employee making disclosure in terms of this Policy does so without fear or victimisation and/or subsequent discrimination. Employees are advised that these procedures are in addition to MDM grievance procedures and other statutory reporting procedures. The policy has been developed to comply with the Protected Disclosure Act no 26 of 2000 and Witness Protection Act no112 of 1998.

### **B2. Purpose**

- To protect those who have blown the whistle against any form of occupational detriment;
- To provide the procedures in which an employee can disclose information regarding improprieties in the workplace;
- To provide avenues for employees and members of the public to raise concerns and receive feedback on any action taken;
- Reassure the employees and members of public at large that they will be protected from reprisals or victimisation;

### **B3. Scope of application**

- The policy shall apply to all employees of the municipality including interns, learners and councillors. This policy deals with specific concerns, which are in the public interest and may include:
  - an unlawful civil or criminal offence;
  - failure to comply with statutory obligations/requirements;
  - financial or non-financial mismanagement, fraud and corruption, including bribery;

- a risk (including a potential risk) to health and safety of any individual;
- environmental damage;
- improper conduct or unethical behaviour; or
- attempts to conceal or suppress information relating to the above

#### **B4. Who can raise a concern?**

Any member of staff who has a reasonable belief that there is corruption or misconduct relating to any of the protected matters specified above may raise a concern under the procedure detailed in the ***Fraud response plan***. Concerns must be raised without malice, in good faith and not for personal gain and the individual must reasonably believe that the information disclosed, and any allegations contained in it, are substantially true. The issues raised may relate to a manager, another member of staff, a group of staff, the individuals in their own unit or a unit/department. The perpetrator can be an outsider, an employee, a manager.

NB: A member of staff who does not act in good faith or who makes an allegation without having reasonable grounds for believing it to be substantially true, or who makes it maliciously, may be subject to disciplinary proceedings whereas appropriate action will be taken in respect to the external party

#### **B5. How can the concern be raised?**

Steps on how to raise a concern have been covered in the Fraud Prevention Response Plan. This plan details all the steps that the concern person should follow in an instance where he/she believes fraud and corruption has occurred.

#### **B6. How we will handle the matter?**

Once you have told us of your concern, we will look into it to assess initially what action should be taken. This may involve an internal inquiry or a more formal investigation where it will involve law enforcement agency. The issue you raise will be acknowledged in writing within 7 working days. If it is requested, an indication of how the organisation proposes to deal with the matter and a likely time scale could be provided. If the decision is made not to investigate the matter reasons will be given. We will tell you who would be handling the matter, how you can contact him / her and whether your further assistance may or will be needed.

When you raise a concern, you may be asked how you think the matter might best be resolved. If you do have any personal interest in the matter, we do ask that you tell us at the outset. If your concern falls more properly within the Grievance Procedure we will tell you. While the purpose of this policy is to enable us to investigate possible malpractice and take appropriate steps to deal with it, we will give you as much feedback as we properly can. If requested, we will confirm our response to you in writing. Please note, that we may not be able to tell you the precise action we shall take where this could infringe a duty of confidence owed by us to someone else.

### **B7. Confidentiality**

All information relating to fraud that is received and investigated by the Municipality will be treated confidentially. The progression of investigations will be handled in a confidential manner and will not be disclosed or discussed with any person(s) other than those who have a legitimate right to such information. This is important to avoid harming the reputations of suspected persons who are subsequently found innocent of wrongful conduct

### **B8. Enforcement of the Policy**

The enforcement of this policy lies within each and every employee, councillor and trading partners. The policy shall be effective from the date of approval and it will be reviewed on an annual basis or when a need arise.

## **Appendix C: Fraud Prevention Response Plan**

### **C1. Background**

The plan is intended to set down the stance of Mopani District Municipality to “fraud” as well as to reinforce existing systems, policies, procedures, rules and regulations of the municipality which is aimed at deterring, preventing, detecting, reacting to and reducing the impact of fraud. Furthermore the plan aims to confirm that Mopani District Municipality will not tolerate corrupt or fraudulent activities whether internal or external to the municipality. The municipality recognise the fact that acts of fraud by any municipal official or service provider who is entrusted to render service to the municipality is seriously depleting service delivery.

### **C2. Introduction**

The response plan documents the procedure to be followed in the event of reported or suspected fraud or irregularity together with defining authority levels, responsibilities for action and reporting lines. Fraud represents a significant potential risk to the Mopani District Municipality’s assets, service delivery efficiency and reputation. The municipality derives its significant portion of their income from National Treasury, Provincial Treasury and Public departments through grants allocation. The municipality has a duty to ensure that income and resources are used solely for the purpose intended. The plan can help municipality to restrict damage and minimise losses.

### **C3. Objective of the Plan**

The primary objective of the fraud prevention and response plan are to:

- Provide guideline in preventing, detecting and reacting and reporting fraudulent activities within the municipality
- Create culture of ethical behaviour to all officials and stakeholders.
- Encourage all employees to report suspicious fraudulent activities without any fear of retaliation
- Furthermore the plan ensures that timely and effective action is taken:
- To prevent losses of funds or other assets where fraud has occurred and to maximise recovery of losses
- To establish and secure evidence necessary for disciplinary and criminal action

- To assign responsibility for investigating the incident
- To establish circumstances in which external specialists should be involved
- Establish line of communication with the police
- Keep all staff with a need to know suitably informed about incident and the municipality's response
- Recover losses
- Deal with request for references for management and employees disciplined, dismissed or prosecuted for fraud
- Review reasons for the incident, the measure taken to prevent a recurrence and any action needed to strengthen future responses to fraud.

#### **C4. Scope of the Plan**

This plan shall apply to all employees, contractors/suppliers, stakeholders and any other party doing business with the municipality.

#### **C5. Roles and Responsibilities**

The following section outlines the fraud and corruption risk management responsibilities associated with different roles within the municipality.

##### **C5.1 Accounting Officer**

The Accounting Officer as head of administration bears the ultimate responsibility for fraud and corruption risk management within the municipality. This includes coordination of risk assessments, overseeing the investigation of suspected fraud and corruption and facilitation for the reporting of such instances.

##### **C5.2 Directors, Managers and Supervisors**

Generally directors, managers and supervisors are in a position to take responsibility for detecting fraud and other irregularities in their area. Staff must assist management by reporting any suspected irregularities. Hence it is the duty of management to eradicate fraud and corruption and ensuring that the municipality strives to be perceived as ethical in dealing with its public and other interested parties. In this regard senior management

under the guidance of the Accounting Officer will ensure that it does not become complacent in dealing with fraud and corruption.

### **C5.3 Human Resource unit**

The human resources unit will usually have responsibility for any internal disciplinary procedures which must be in line with and support the fraud policy statement and fraud response plan. Their advice should be sought in relation to the individual employment histories, and issues relating to employment law or equal opportunities.

### **C5.4 Legal Advisor (Internal or External)**

Legal services and labour relation should as soon as fraud is reported irrespective of the route the organisation intends to follow. Specific advice would include such issues as guidance on internal and criminal responses and recovery of assets.

### **C5.5 Investigator**

Currently the municipality does not have an investigator therefore a service of Chief Risk Officer is utilised in this regard. The Chief Risk Officer will have responsibility for initiating and overseeing all fraud investigations. Chief Risk Officer in conjunction with Labour Relation Officer will assess the report and make recommendation pending the outcome from the investigation. Chief Risk Officer will manage any internal investigations and act as a liaison officer with all other interested parties both internal and external including police and auditors. Record the incident/investigation log sheet (log of all reported suspicious, including those dismissed as minor or otherwise not investigated).

### **C5.6 Risk Management Committee**

The role of the Risk Management Committee with regard to fraud is to oversee the Municipality's approach to fraud prevention, fraud detection strategies and response to fraud and corruption incidents reported by employees or other external parties. The various business units should have representation on this committee. The Internal Auditor shall be a compulsory member.

The Anti-Fraud and Corruption Committee shall meet at least once in a quarter to

discuss the following issues:

- Progress made in respect of implementing the Anti-Fraud and Corruption Strategies and Fraud Prevention and Response Plans;
- Reports received by the Municipality regarding fraud and corruption incidents with the view to making any recommendations to the Accounting Officer and Chairperson of the Audit Committee;
- Reports on all investigations initiated and concluded; and
- All allegations received via the hotline.

### **C5.7 Audit Committee**

Audit Committee members has the responsibility to review organisational internal control and risk management systems. They should monitor the integrity of the municipality's financial statements, assess the municipality's performance in fraud prevention, review the investigation log of cases at least twice per year and report any other significant matters to Council.

### **C5.8 All Employees**

All employees have the responsibility to protect the assets of the municipality including information and goodwill as well as property. They have a duty to report any fraud and corruption activities occurred with municipality.

## **C6. Reporting Procedure and Resolution of Reported Incidents Internally and Externally**

### **What should an employee do if he/she suspects fraud or corruption?**

The following are the action that an employee needs to take when suspected that fraud has occurred.

#### **Step 1**

If an employee has a concern about malpractice, he/she should consider raising it initially with their line managers (supervisor) and this may be done in writing. An employee should specify from the outset if they wish the matter to be treated in confidence so that appropriate arrangement can be made.

## **Step 2**

If this channel has been followed and an employee feels that they are unable to raise particular matter with their line manager for whatever reasons, they should raise the matter with their head of department (Director). Head of department will then take up the matter to the Chief Risk Officer. Upon receiving an allegation the Chief Risk Officer will present the matter to the Accounting Officer to assess the matter reported as to whether the matter warrants investigation.

## **Step 3**

Any suspicion of fraud and corruption will be treated seriously and will be reviewed, analyses and if warranted, investigated. Accounting Officer will then look at the concern and delegate the duty to investigate the matter to assigned investigator either internally or externally. If the information received either internally/externally or via the hotline warrants the investigation, the matter will be assessed focusing on the following:

- How serious is the reported matter?
- Does the allegation fall within the mandate of MDM?
- Would the enquiry be handled more appropriate by another department?
- Is there enough or specific information on the matter?
- Is the matter too significant to justify an investigation?
- Is it an vexatious or frivolous compliant?
- How old is the information?
- Are there any time considerations of competing priorities or?
- Do we have sufficient or capacity to conduct the investigation internally or do we need an outside expertise ?

## **Step 4**

If then the employee feel that any of those mechanism will hamper the investigation he/she can report the matter using



**NATIONAL ANTI- FRAUD HOTLINE**

**TOLL FREE NUMBER 0800 701 701,**

**LIMPOPO OFFICE OF THE PREMIER HOTLINE 0800 864 729**

**FAX NUMBER: 0800 204 965 or be addressed to the Office of Municipal Manager and Risk Management Unit.**

All reported cases/incidents shall be registered on a Fraud and Corruption Register and allocated a case reference number by the Chief Risk Officer.

**Step 5**

All information received will be treated as confidential. The progression of investigations will be handled in a confidential manner and will not be disclosed or discussed with any person(s) other than those who have a legitimate right to such information. This is important to avoid harming the reputations of suspected persons who are subsequently found innocent of wrongful conduct.

No person is authorized to supply any information with regard to allegations or incidents of fraud to the media without the express permission of the Accounting Officer.

**Step 6**

The assigned investigator either internally or externally will investigate the matter and this can be in a form of the following activities:

- Interviewing of relevant witnesses, internally and external including obtaining statements where appropriate
- Reviewing and collating documentary evidence
- Forensic investigation of computers
- Examination of telephone records
- Enquiries from banks and other financial institutions
- Enquiries with other third parties

- Data search and specialist testimony
- Tracing funds/assets/goods
- Liaise with the police or other law enforcement regulatory agencies
- Interviewing persons suspected of involvement in fraud and corruption

### **Step 7**

Prepare a report to be submitted to Accounting Officer with the finding and recommendations. If the outcome of the investigation appears that a criminal act has not taken place, Accounting Officer will instruct Director Corporate Services to warrant disciplinary action. But where it appears that criminal act has taken place the matter, a case must be opened with police service.

### **Step 8**

Disciplinary proceeding will be followed in any disciplinary action taken towards an employee. Any disciplinary action will be in accordance with disciplinary procedure. This is usually involving disciplinary hearing at which the results of the investigation will be considered.

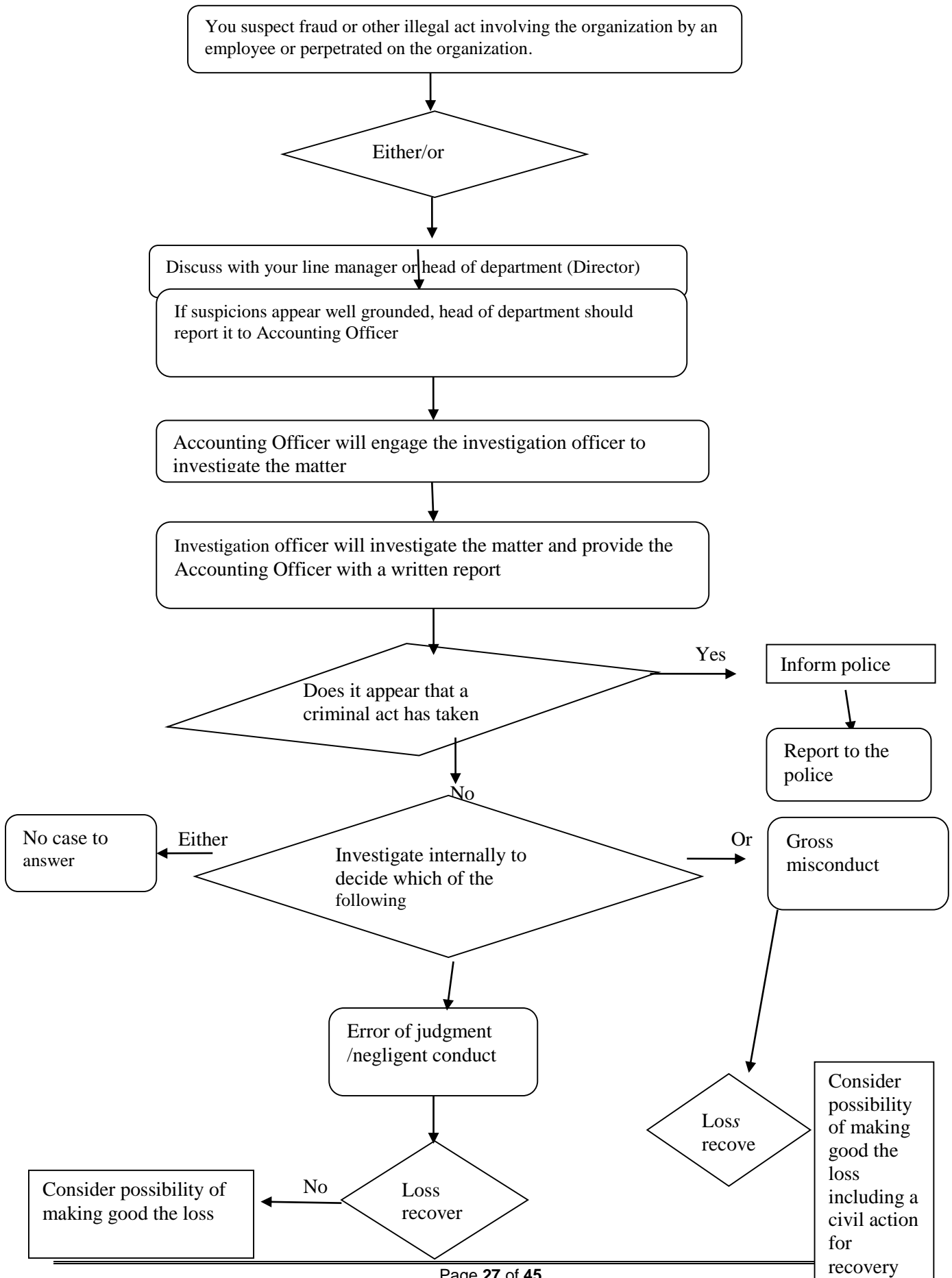
### **Step 9**

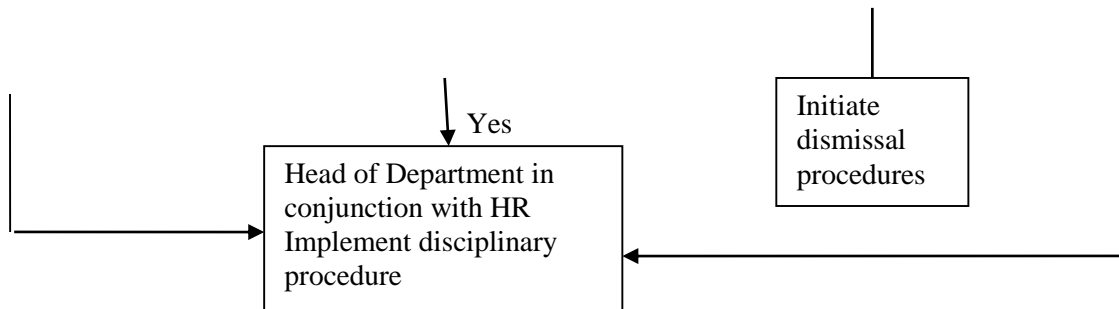
An exit interview and exit checklist procedure will be performed by Directorate Corporate Services in the event of dismissal from the municipality or fraud.

### **Step 10**

Where there is a clear evidence of fraud and corruption and there has been financial loss to the municipality, recovery action, criminal, civil or administrative will be instituted to recover any such losses. But in a case where fraud has occurred as results of suppliers, client or other stakeholder, the municipality has the right to engage the police and to conduct the investigation and the basis of the case will be discussed with the investigator and the Accounting Officer.

***C6.1The above information can be represented in a form of a flow chart reporting and managing the investigation***





### **C7. Assessment of Fraud and Corruption Risk**

The Fraud Risk Assessment will be conducted and which will provide an indication of how fraud and corruption risks are manifested and, a “Fraud and Corruption Risk Register” which will prioritise the fraud and corruption risks and indicate actions to mitigate these risks.

### **C8. Recovery action**

Where there is a clear evidence of fraud or corruption and there have been a financial loss to the municipality, recovery action, criminal, civil or administrative will be instituted to recover any losses. In respect of civil recoveries, costs involved will be determined to ensure that the cost of recovery is financially beneficial to the institution

### **C9. Internal control review after discovery of fraud**

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

The responsibility for ensuring that the internal control environment is re-assessed and for ensuring that the recommendations arising out of this assessment are implemented will lie with Line Management of the Municipality / section concerned.

## **Appendix D: Code of Conduct for Municipal Staff**

The code of conduct for municipal staff members is contained in the Municipal Systems Act 32 of 2000 under schedule 2 and is copied here under. This copy does not replace the schedule 2 of the said act.

## **1. Definition**

In this schedule 'partner' means a person who permanently lives with another person in a manner as if married.

## **2. General conduct**

A staff member of a municipality must at all times-

- (a) loyally execute the lawful policies of the municipal council;
- (b) perform the functions of office in good faith, diligently, honestly and in a transparent manner;
- (c) act in such a way that the spirit, purport and objects of section 50 are promoted;
- (d) 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
- (e) act impartially and treat all people, including other staff members, equally without favour or prejudice.

## **3. Commitment to serving the public interest**

A staff member of a municipality is a public servant in a developmental local system, and must accordingly

- (a) implement the provisions of section 50 (2);
- (b) foster a culture of commitment to serving the public and a collective sense of responsibility for performance in terms of standards and targets;
- (c) promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution;
- (d) obtain copies of or information about the municipality's integrated development plan, and as far as possible within the ambit of the staff members job description, seek to implement the objectives set out in the integrated development plan, and achieve the performance targets set for each performance indicator;
- (e) participate in the overall performance management system for the municipality, as well as the staff member'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.

#### **4. Personal gain**

(1) A staff member of a municipality may not -

(a) use the position or privileges of a staff member, or confidential information obtained as a staff member, for private gain or to improperly benefit another person; or

(b) take a decision on behalf of the municipality concerning a matter in which that staff member or that staff member's spouse, partner or business associate, has a direct or indirect personal or private business interest.

(2) Except with the prior consent of the council of a municipality a staff member of the municipality may not -

(a) be a party to a contract for -

i) the provision of goods or services to the municipality; or

ii) the performance of any work for the municipality otherwise than as a staff member,

(b) obtain a financial interest in any business of the municipality; or

(c) be engaged in any business, trade or profession other than the work of the municipality.

#### **5. Disclosure of benefits**

(1) A staff member of a municipality who, or whose spouse, partner, business associate or close family member acquired or stands to acquire any direct benefit from a contract concluded with the municipality must disclose in writing full particulars of the benefit to the council.

(2) This item does not apply to a benefit which a staff member, or a spouse, partner, business associate or close family member, has or acquires in common with all other residents of the municipality.

#### **6. Unauthorized disclosure of information**

(1) A staff member of a municipality may not without permission disclose any privileged or confidential information obtained as a staff member of the municipality to an unauthorized person.

(2) For the purpose of this item 'privileged or confidential information' includes any information -

- (a) determined by the municipal council or any structure or functionary of the municipality to be privileged or confidential;
  - (b) discussed in closed session by the council or a committee of the council;
  - (c) disclosure of which would violate a person's right to privacy; or
  - (d) declared to be privileged, confidential or secret in terms of any law.
- (3) This item does not derogate from a person's right of access to information in terms of national legislation.

## **7. Undue influence**

A staff member of a municipality may not –

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

## **8. Rewards, gifts and favours**

- (1) A staff member of a municipality may not request, solicit or accept any reward, gift or favour for -
- (a) 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;
  - (b) making a representation to the council, or any structure or functionary of the council;
  - (c) disclosing any privileged or confidential information; or
  - (d) doing or not doing anything within that staff member's powers or duties.
- (2) A staff member must without delay report to a superior official or to the speaker of the council any offer which, if accepted by the staff member, would constitute a breach of sub item (1).

## **9. Council property**

A staff member of a municipality may not use, take, acquire, or benefit from any property or asset owned, controlled or managed by the municipality to which that staff member has no right.

#### **10. Payment of arrears**

A staff member of a municipality 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 a staff member's salary after this period.

#### **11. Participation in elections**

A staff member of a municipality may not participate in an election of the council of the municipality, other than in an official capacity or pursuant to any constitutional right.

#### **12. Sexual harassment**

A staff member of a municipality may not embark on any action amounting to sexual harassment.

#### **13. Reporting duty of staff members**

Whenever a staff member of a municipality has reasonable grounds for believing that there has been a breach of this Code, the staff member must without delay report the matter to a superior officer or to the Speaker of the council.

#### **14. Breaches of Code**

Breaches of this Code must be dealt with in terms of the disciplinary procedures of the Municipality envisaged in section 67 (1) (h) of the Municipal Systems Act 32 of 2000.

#### **15. Disciplinary steps**



- (1) A breach of this Code is a ground for dismissal or other disciplinary steps against a staff member who has been found guilty of such a breach.
- (2) Such other disciplinary steps may include -
  - (a) suspension without pay for no longer than three months;
  - (b) demotion;
  - (c) transfer to another post;
  - (d) reduction in salary, allowances or other benefits; or
  - (e) an appropriate fine.

## **Appendix E: Code of Conduct for Councillors**

The code of conduct for municipal councillors is contained in Municipal Systems Act no 32 of 2000 under Schedule 1 and this does not replace the content of the act this copied was made was to highlight to councillors the expected code of conduct from them.

### **1. General conduct of councillors**

A councillor must –

- (a) perform the functions of office in good faith, honestly and a transparent manner; and
- (b) at all times act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised.

### **2. Voting at meetings**

A councillor may not vote in favour of or agree to a resolution which is before the council or a committee of the council which conflicts with any legislation applicable to local government.

### **3. Attendance at meetings**

A councillor must attend each meeting of the municipal council and of a committee of which that councillor is a member, except when –

- (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council; or
- (b) that councillor is required in terms of this Code to withdraw from the meeting.

#### **4. Sanctions for non-attendance of meetings**

(1) A municipal council may impose a fine as determined by the standing rules and orders of the municipal council on a councillor for:

- (a) not attending a meeting which that councillor is required to attend in terms of item 3; or
- (b) failing to remain in attendance at such a meeting.

(2) A councillor who is absent from three or more consecutive meetings of a municipal council, or from three or more consecutive meetings of a committee, which that councillor is required to attend in terms of item 3, must be removed from office as a councillor

(3) Proceedings for the imposition of a fine or the removal of a councillor must be conducted in accordance with a uniform standing procedure which each municipal council must adopt for the purposes of this item. The uniform standing procedure must comply with the rules of natural justice

#### **5. Disclosure of interests**

(1) A councillor must –

(a) disclose to the municipal council, or to any committee of which that councillor is a member, any direct or indirect personal or private business interest that that councillor, or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and

(b) withdraw from the proceedings of the council or committee when that matter is considered by the council or committee, unless the council or committee decides that the councillor's direct or indirect interest in the matter is trivial or irrelevant.

(2) A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose full particulars of the benefit of which the councillor is aware at the first meeting of the municipal council at which it is possible for the councillor to make the disclosure.

(3) This section does not apply to an interest or benefit which a councillor, or a spouse, partner, business associate or close family member, has or acquires in common with other residents of the municipality.

#### **6. Personal gain**

- (1) A councillor may not use the position or privileges of a councillor, or confidential information obtained as a councillor, for private gain or to improperly benefit another person
- (2) No councillor may be a party to or beneficiary under a contract for the provision of goods or services to any municipality or any municipal entity established by a municipality.

#### **1. Declaration of interests**

(1) When elected or appointed, a councillor must within 60 days declare in writing to the municipal manager the following financial interests held by that councillor:

- (a) shares and securities in any company;
- (b) membership of any close corporation;
- (c) interest in any trust;
- (d) directorships;
- (e) partnerships;
- (f) other financial interests in any business undertaking;
- (g) employment and remuneration;
- (h) interest in property;
- (i) pension; and
- (j) subsidies, grants and sponsorships by any organisation.

(2) Any change in the nature or detail of the financial interests of a councillor must be declared in writing to the municipal manager annually.

(3) Gifts received by a councillor above a prescribed amount must also be declared in accordance with sub item (1).

(4) The municipal council must determine which of the financial interests referred in sub item (1) must be made public having regard to the need for confidentiality and the public interest for disclosure.

#### **8. Full-time councillors**

A councillor who is a full-time councillor may not undertake any other paid work except with the consent of a municipal council which consent shall not unreasonably be withheld.

#### **9. Rewards, gifts and favours**

A councillor may not request, solicit or accept any reward, gift or favour for –

- (a) voting or not voting in a particular manner on any matter before the municipal council or before a committee of which that councillor is a member;
- (b) persuading the council or any committee in regard to the exercise of any power, function or duty;
- (c) making a representation to the council or any committee of the council; or
- (d) disclosing privileged or confidential information.

#### **10. Unauthorised disclosure of information**

- (1) A councillor may not without the permission of the municipal council or a committee disclose any privileged or confidential information of the council or committee to any unauthorised person.
- (2) For the purpose of this item 'privileged or confidential information' includes any information -
  - (a) determined by the municipal council or committee to be privileged or confidential;
  - (b) discussed in closed session by the council or committee;
  - (c) disclosure of which would violate a person's right to privacy; or
  - (d) declared to be privileged, confidential or secret in terms of law.
- (3) This item does not derogate from the right of any person to access to information in terms of national legislation.

#### **11. Intervention in administration**

A councillor may not, except as provided by law –

- (a) interfere in the management or administration of any department of the municipal council unless mandated by council;
  - (b) give or purport to give any instruction to any employee of the council except when authorised to do so;
- Prepared by: In partnership with:
- (c) obstruct or attempt to obstruct the implementation of any decision of the council or a committee by an employee of the council; or
  - (d) encourage or participate in any conduct which would cause or contribute to maladministration in the council.

#### **12. Council property**

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

#### **12. Councillor in arrears**

A councillor may not be in arrears to the municipality for rates and service charges for a period longer than 3 months.

### **13. Duty of chairpersons of municipal councils**

(1) If the chairperson of a municipal council, on reasonable suspicion, is of the opinion that a provision of this Code has been breached, the chairperson must -

- (a) authorise an investigation of the facts and circumstances of the alleged breach;
- (b) give the councillor a reasonable opportunity to reply in writing regarding the alleged breach; and
- (c) report the matter to a meeting of the municipal council after paragraphs (a) and (b) have been complied with.

(2) A report in terms of sub item (1) (c) is open to the public.

(3) The chairperson must report the outcome of the investigation to the MEC for local government in the province concerned.

(4) The chairperson must ensure that each councillor when taking office is given a copy of this Code and that a copy of the Code is available in every room or place where the council meets.

### **14. Breaches of Code**

(1) A municipal council may -

- (a) investigate and make a finding on any alleged breach of a provision of this Code; or (b) establish a special committee -
  - (i) to investigate and make a finding on any alleged breach of this Code; and
  - (ii) to make appropriate recommendations to the council.

(2) If the council or a special committee finds that a councillor has breached a provision of this Code, the council may –

- (a) issue a formal warning to the councillor;
- (b) reprimand the councillor;
- (c) request the MEC for local government in the province to suspend the councillor for a period;
- (d) fine the councillor; and
- (e) request the MEC to remove the councillor from office.

(3)

(a) Any councillor who has been warned, reprimanded or fined in terms of paragraph (a), or (d) of sub item (2) may within 14 days of having been notified of the decision of council appeal to the MEC for local government in writing setting out the reasons on which the appeal is based.

(b) A copy of the appeal must be provided to the council.

(c) The council may within 14 days of receipt of the appeal referred to in paragraph

(b) make any representation pertaining to the appeal to the MEC for local government in writing.

(d) The MEC for local government may, after having considered the appeal, confirm, set aside or vary the decision of the council and inform the councillor and the council of the outcome of the appeal.

(4) The MEC for local government may appoint a person or a committee to investigate any alleged breach of a provision of this Code and to make a recommendation as to the appropriate sanction in terms of subitem (2) if a municipal council does not conduct an investigation contemplated in subitem (1) and the MEC for local government considers it necessary.

5) The Commissions Act, 1947 (Act No. 8 of 1947), or, where appropriate, applicable provincial legislation, may be applied to an investigation in terms of subitem (4).

(6) If the MEC is of the opinion that the councillor has breached a provision of this Code, and that such contravention warrants a suspension or removal from office, the MEC may -

(a) suspend the councillor for a period and on conditions determined by the MEC; or

(b) remove the councillor from office.

(7) Any investigation in terms of this item must be in accordance with the rules

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## Appendix F: Declaration of Interest Form by Employees

MOPANI DISTRICT MUNICIPALITY  
OFFICIAL'S DECLARATION OF INTEREST  
(PERIOD 01 JULY 2022 TO JUNE 2023)

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### Personal Details

Employee Number :.....

Surname :.....

Full Names :.....

ID Number :.....

Position :.....

Department :.....

Division :.....

### Details of Declarations of interests

The following details-duly completed-are for our records, please

A. Shares and Securities in any company	
B. Membership of any close corporation	
C. Interest in any trust	
D. Directorship	
E. Partnership	
F. Other financial interest in any business undertaking	
G. Employment and remuneration	
H. Interest in property	

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I. Pension and provident funds outside the Employer/Employee relationship	
J. Subsidies, Grant and sponsorship by any organization	
K. Business ventures with Councilors	

Undertaking by official

I have taken cognizance of the contents of schedule 2 to the Local Government Municipality Systems Act 32 of 2000 (Code of conduct for the Municipal staff Members) with specific reference to the clause 5 on the disclosure of benefits and accepted such arrangements with the undertaking to act in the prescribed way.

\_\_\_\_\_  
**SIGNATURE OF THE EMPLOYEE**

\_\_\_\_\_  
**DATE**

This Disclosure is noted by Departmental Head

\_\_\_\_\_  
**MUNICIPAL MANAGER**

\_\_\_\_\_  
**DATE**



---

## Appendix G: Disclosure of Interest Form by Employees

MOPANI DISTRICT MUNICIPALITY  
APPLICATION TO CONDUCT PAYING WORK  
OUTSIDE THE SERVICES OF COUNCIL  
(PERIOD 01 JULY 2022 TO JUNE 2023)

**PERSONAL DETAILS**

Employee Number : .....

Surname : .....

Full Names : .....

Position : .....

Department : .....

Division : .....

**DETAILS OF PAYING WORK OUTSIDE THE SERVICES OF COUNCIL**

TYPE OF WORK : .....

DESCRIPTION OF ACTIVITIES: .....

WHERE AND WHEN DOES THE ACTIVITY OCCUR: .....

**UNDERTAKING BY OFFICIAL**

I accept the condition under which the special approval to conduct paying work outside the service of Council is granted and which conditions are printed at the back of this application. I also accept that in the case of non adherence to the conditions, the concession not only can be absconded but misconduct measures may then be instituted

\_\_\_\_\_  
**SIGNATURE OF EMPLOYEE**

\_\_\_\_\_  
**DATE**

**APPROVED BY THE DEPARTMENTAL MANAGER**

The application is approved / disapproved

\_\_\_\_\_  
**MUNICIPAL MANAGER**

\_\_\_\_\_  
**DATE**

## CONDITIONS

### **SPECIAL CONSENT TO CONDUCT WORK OUTSIDE THE SERVICES OF COUNCIL IS SUBJECT TO THE FOLLOWING CONDITION:**

1. No official is allowed to conduct any private work, provided that council has given prior written approval for it.
2. Private work must not have a relation to the official duties of an official which he/ she performs in the service of council.
3. Private work is not allowed in any circumstances during official time of service whilst in service council.
4. The usage of equipment, instructions, material or any other property of council of whichever nature is not permitted by an official in executing of private work.
5. An official who has received approval to conduct private work and be compensated must not be advantage on ground of his or her work relationship with council.
6. Private work must not in any way influence the working ability and general health and physiological state of an official during his/her services to council.
7. Approval by council to an official to conduct private work continues as long as council so wishes and such approval to conduct private work can be terminated or reversed by council at any time if council is of the opinion that conducting such private work is in breach of any of the conditions above or if the conducting of the private work is against the spirit in which approval was given. In a case where the approval of council to an official to conduct private work is repealed or absconded, then the official will have no claim of any nature what so ever against the council.

Subject to the above condition, the approval of conducting paying work outside the service of council will be reconsidered by council annually. Approval is or until such date as determined by council to consider such application.

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## Appendix H: Declaration of Interest Form by Councillors

### MOPANI DISTRICT MUNICIPALITY

#### ***COUNCILLOR 'S DECLARATION OF INTEREST (PERIOD 01 JULY 2022 TO 30 JUNE 2023)***

---

#### **Personal Details**

Employee Number :.....

Surname :.....

Full Names :.....

ID Number :.....

Position :.....

Department :.....

Division :.....

#### **Details of Declarations of interests**

The following details-duly completed-are for our records, please

A. Shares and Securities in any company	
B. Membership of any close corporation	
C. Interest in any trust	
D. Directorship	
E. Partnership	
F. Other financial interest in any business undertaking	
G. Employment and remuneration	
H. Interest in property	

---

---

I. Pension and provident funds outside the Employer/Employee relationship	
J. Subsidies, Grant and sponsorship by any organization	
K. Business ventures with Councilors	

Undertaking by official

I have taken cognizance of the contents of schedule 2 to the Local Government Municipality Systems Act 32 of 2000 (Code of conduct for the Municipal staff Members) with specific reference to the clause 5 on the disclosure of benefits and accepted such arrangements with the undertaking to act in the prescribed way.

**This Disclosure is noted**

\_\_\_\_\_  
**SIGNATURE OF COUNCILLOR**

**Noted by the Executive Mayor**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**EXECUTIVE MAYOR**

\_\_\_\_\_  
**DATE**

---

**REVIEW OF THE ANTI-FRAUD & CORRUPTION STRATEGY**

The Anti-Fraud & Corruption Strategy shall be reviewed annually by the Risk Management Committee members if need be and recommend to the Accounting Officer, Audit Committee and Council for approval.

**THE ANTI-FRAUD & CORRUPTION STRATEGY WAS REVIEWED BY RISK MANAGEMENT COMMITTEE AND RECOMMENDED TO COUNCIL FOR APPROVAL:**

.....  
**MMAPHETHO M.A**  
**RISK COMMITTEE CHAIRPERSON**

.....  
**DATE**

---

**THE ANTI-FRAUD & CORRUPTION STRATEGY WAS NOTED BY THE MUNICIPAL MANAGER AND RECOMMENDED TO COUNCIL FOR APPROVAL:**

.....  
**MOGANO T.J**  
**ACTING MUNICIPAL MANAGER**

.....  
**DATE**

---

**COUNCIL'S APPROVAL**

.....  
**COUNCIL RESOLUTION NUMBER**  
**MOPANI DISTRICT MUNICIPALITY**

.....  
**DATE**