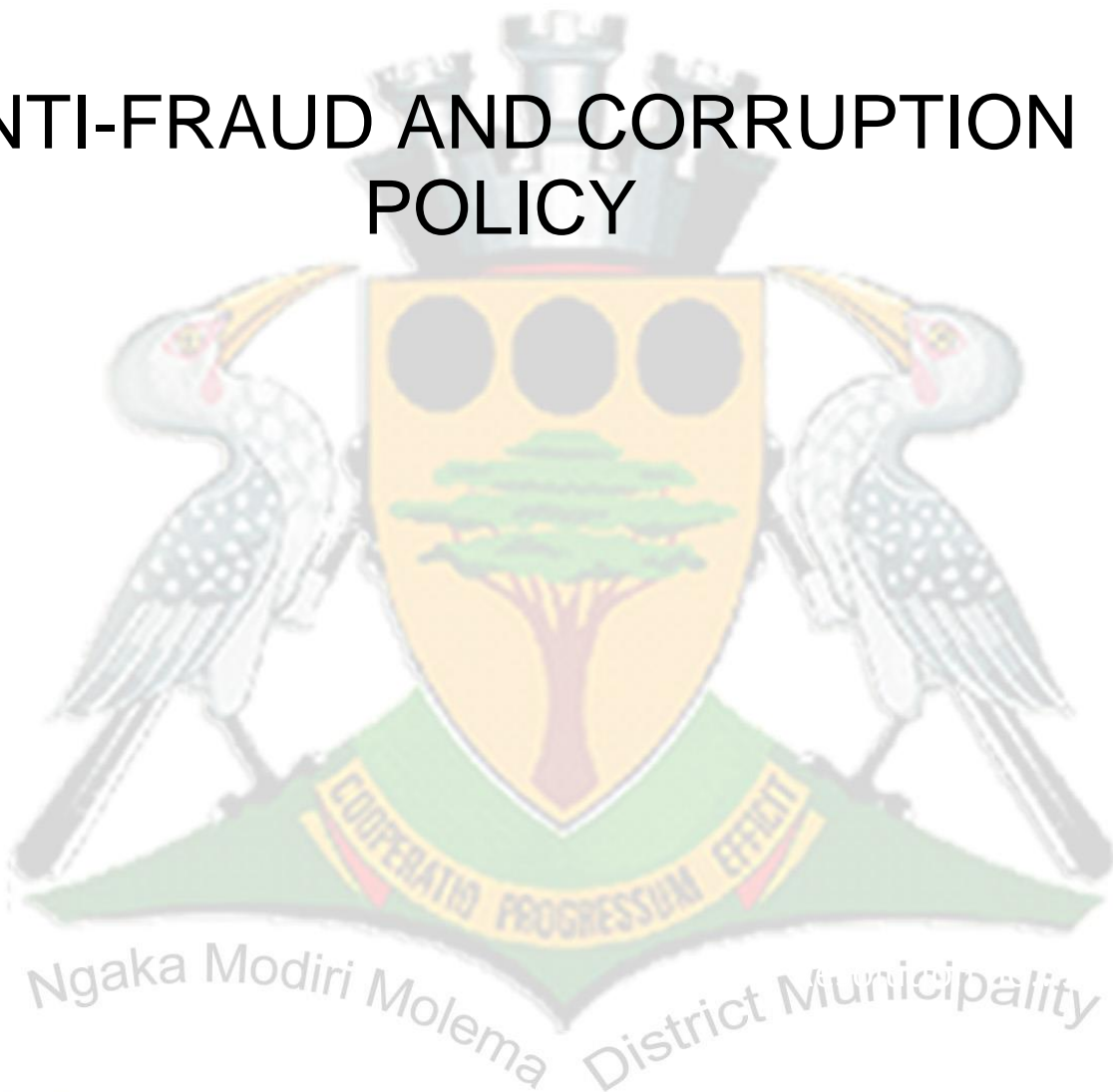




NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY

ANTI-FRAUD AND CORRUPTION POLICY



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"Leaders in Intergrated Municipal Governance"



TABLE OF CONTENTS

1.	INTRODUCTION AND PURPOSE	2
2.	DEFINITIONS	2
3.	LEGISLATION	5
4.	SCOPE OF THE POLICY	5
5.	FRAUD,CORRUPTION,THEFT AND MALADMINISTRATION	5
5.1.	FORMS OF FRAUD AND CORRUPTION	5
5.1.1.	<i>Bribery</i>	5
5.1.2.	<i>Embezzlement</i>	6
5.1.3.	<i>Fraud</i>	6
5.1.4.	<i>Extortion</i>	6
5.1.5.	<i>Abuse of Power</i>	6
5.1.6.	<i>Conflict of Interest</i>	6
5.1.7.	<i>Abuse of privileged information</i>	6
5.1.8.	<i>Favouritism</i>	7
5.1.9.	<i>Nepotism</i>	7
5.2.	EXAMPLES OF ACTIONS CONSTITUTING FRAUD,CORRUPTION,THEFT AND MALADMINISTRATION	7
6.	FRAUD AND CORRUPTION STRATEGIES	8
6.1.	ORGANISATIONAL STRATEGY	8
6.1.1.	<i>Responsibilities of Accounting Officer and Fraud and Corruption Committee</i>	8
6.1.2.	<i>Ethical Culture of the Municipality</i>	8
6.1.3.	<i>Senior management commitment</i>	9
6.2.	OPERATIONAL STRATEGY	9
6.2.1.	<i>Internal Control</i>	9
6.2.2.	<i>Prevention of fraud and corruption</i>	9
6.2.3.	<i>Detection of fraud and corruption</i>	11
6.2.4.	<i>Response to fraud and corruption</i>	11
6.3.	MAINTENANCE STRATEGY	15
6.3.1.	<i>Review of the Effectiveness of Anti-Fraud and Corruption Policy</i>	15
6.3.2.	<i>Review and updating the Anti-Fraud and Corruption Policy</i>	16
7.	PROTECTED DISCLOSURE	16
7.1.	PROTECTION OF WHISTLE BLOWERS	16
7.2.	HARASSMENT	16
7.3.	CONFIDENTIALITY	17
7.4.	ANONYMOUS ALLEGATIONS	17
7.5.	FALSE ALLEGATIONS	17
8.	PENALTIES	17
9.	DISPUTE RESOLUTION	17
10.	ANNUAL REVIEW OF THE POLICY	18
11.	IMPLEMENTATION OF THIS POLICY	18



1. INTRODUCTION AND PURPOSE

Section 95(c) of the MFMA states that it is the responsibility of the Accounting Officer to take all reasonable steps to ensure the entity has and maintains effective, efficient and transparent systems of financial risk management and internal control. The MFMA further states in Section 115(1)(b) that the accounting officer of a municipality must take all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud and corruption.

The purpose of this Policy is to articulate Ngaka Modiri Molema District Municipality's philosophy on fraud prevention and risk management. The municipality adopts a comprehensive approach to the management of fraud risk and risk.

The municipality believes that honesty and integrity are important values, not only in business, but also in life generally. We all want to work with people we trust and we all want people to show their trust in the organisation and each other. We are committed to stopping dishonest behaviour in the workplace. We wish to foster an environment where fraudulent and criminal activity is discouraged.

Fraud represents a significant potential risk to Ngaka Modiri Molema District Municipality assets, service delivery efficiency and reputation. The Municipality will not tolerate fraudulent or corrupt activities, whether internal or external to the Municipality and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.

2. DEFINITIONS

"CFO"	means the Chief Financial Officer of the Ngaka Modiri Molema District Municipality;
"Constitution"	means the Constitution of the Republic of South Africa, 1996 (Act. No 108 of 1996).
"Corruption"	means any conduct or behaviour where a person accepts or agrees or offers any gratification for him/her or for another person where the purpose is to act dishonestly and illegally. Such behaviour also includes the misuse of material or information, abusing a position of authority or a breach of trust or violation of duty;
"Corrupt Activities Act"	means the Prevention and Combating of Corrupt Activities Act 2004 (Act No.12 of 2004).
"Council"	means the Council of the Ngaka Modiri Molema District Municipality.
"Councillor"	means a member of Council of the Ngaka Modiri Molema District Municipality;



"Disclosure"	<p>in terms of the Protected Disclosure Act, 2000 (Act No. 26 of 2000) means- any disclosure of information regarding any conduct of an employer or an employee of that employer, made by any employee who has reason to believe that the information concerned shows or tends to show one or more of the following:</p> <ul style="list-style-type: none"> i) That a criminal offence has been committed is being committed or is likely to be committed; ii) That a person has failed is failing or is likely to fail to comply with any legal obligation to which that person is subject; iii) That a miscarriage of justice has occurred is occurring or is likely to occur; iv) That the health or safety of an individual has been, is being or likely to be endangered; v) That the environment has been is being or is likely to be damaged; vi) Unfair discrimination as contemplated in the Promotion of Equality and Prevention of Unfair Discrimination Act, (No.4 of 2000)or vii) That any matter referred to above has been/ is being or is likely to be deliberately concealed;
"Disciplinary Procedure"	<p>means the Disciplinary Procedure of the Municipality in terms of the collective agreement of the South African Local Government Bargaining Council and/or the Disciplinary Code and Procedures for Senior Managers;</p>
"Employee/Official"	<p>means any employee of the Municipality, contractual or permanent;</p>
"Fraud"	<p>means the unlawful and intentional making of a misrepresentation which causes actual or potential prejudice to another. The use of the term is in its widest possible meaning and is intended to include all aspects of economic crime and acts of dishonesty;</p>
"MFMA"	<p>means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);</p>
"Municipality"	<p>means the Ngaka Modiri Molema District Municipality;</p>
"Municipal Manager"	<p>means the Municipal Manager of the Ngaka Modiri Molema District Municipality;</p>
"NPA"	<p>means the National Prosecuting Authority of the Republic of South Africa;</p>
"Occupational detriment"	<p>in relation to the working environment of an employee in terms of the Protected Disclosure Act (Act No.26 of 2000) means –</p> <ul style="list-style-type: none"> viii) Being subjected to any disciplinary action; ix) Being dismissed, suspended, demoted, harassed or intimidated; x) Being transferred against his or her will; xi) Being refused transfer or promotion;



- xii) Being subjected to a term or condition of employment or retirement which is altered or kept altered to his or her disadvantage;
- xiii) Being refused a reference, or being provided with an adverse reference, from his or her employer;
- xiv) Being denied appointment to any employment, profession or office;
- xv) Being threatened with any of the actions referred to in paragraphs above; or
- xvi) Being otherwise adversely affected in respect of his or her employment, profession or office, including employment opportunities and work security;

"Political Office Bearers" mean councillors appointed to hold political offices in the Municipality i.e the Mayor and the Speaker;

"Protected Disclosure" in terms of the Protected Disclosure Act (Act No.26 of 2000), means a disclosure made to:-

- i) a legal adviser in accordance with section 5;
- ii) an employer in accordance with section 6;
- iii) a member of Cabinet or of the Executive Council of a province in accordance with section 7;
- iv) a person or body in accordance with section 8;
- v) any other person or body in accordance with section 9; but does not include a disclosure:-
 - a. in respect of which the employee concerned commits an offence by making a disclosure; or
 - b. made by a legal adviser to whom the information concerned was disclosed in the course of obtaining legal advice in accordance with section 5.

"Protected Disclosure Act"

means the Protected Disclosure Act, 2000 (Act No.26 of 2000);

"Recipient of a complaint"

means any employee or councillor of the Municipality to whom a complaint of fraud, corruption and maladministration is laid; this may involve but is not limited to a Supervisor, Line Manager, Executive Director, Municipal Manager or an employee acting in any such capacity, Mayor, the Speaker and/or the Chairperson of the Audit Committee.

"SAPF"

means the South African Police Force of the Republic of South Africa;

"Speaker"

means the speaker of the Municipal Council;

"Systems Act"

means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);



"Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

3. LEGISLATION

The policy framework is in accordance with applicable legislation and any relevant policies and guidelines of Ngaka Modiri Molema District Municipality

The Constitution of the Republic of South Africa, (Act No. 108 of 1996 (hereafter referred to as the Constitution);

Protected Disclosure Act, (Act No. 26 of 2000);

Prevention and Combating of Corrupt Activities (Act, No 12 of 2004);

The Municipal Finance Management Act, (Act No. 56 of 2003);

Local Government: Municipal Systems Act, (No. 32 of 2000);

Local Government: Municipal Structures Act, (No. 117 of 1998);

Local Government: Municipal Supply Chain Management Regulations, (Act No 27636 of 2005);

National Treasury Regulations

4. SCOPE OF THE POLICY

This policy applies to all corruption, fraud, theft and maladministration or suspected irregularities of this nature involving, but not limited to, the following persons or entities:

Employees of the Municipality;

Political Office Bearers;

Councillors;

Consultants, suppliers, contractors and other providers of goods and services to the Municipality.

This policy shall be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Municipal Manager and other responsible officials; the Council and the Executive Mayor as well as between the Council and the Municipal Manager

5. FRAUD, CORRUPTION, THEFT AND MALADMINISTRATION

5.1. Forms of Fraud and Corruption

5.1.1. Bribery

Bribery involves the promise, offering or giving of a benefit that improperly affects the actions or decisions of an employee. This benefit may accrue to the employee or councillor, another person or an entity



5.1.2. Embezzlement

This involves theft of resources by persons entrusted with the authority and control of such resources.

5.1.3. Fraud

This involves actions or behaviour by an employee, councillor or other person or entity that provides a benefit that would not normally accrue to the person(s) or entity. Such fraud is frequently committed by persons who enjoy positions of trust or authority within the Municipality; and may involve acts such as issuing falsified financial statements or performance reports with the object of misleading council. External fraud occurs when persons outside the organization perpetrate fraud against the Municipality:

Such as the inadequate supply of deliveries at delivery points exploiting loopholes in the Municipality's security system;
False statements or reports regarding work done on construction sites, or Repair and service contracts where there is inadequate control over these contracts.

5.1.4. Extortion

This involves coercing a person or entity to provide a benefit to an employee, councillor or another person or an entity in exchange for acting (or failing to act) in a particular manner.

5.1.5. Abuse of Power

This involves an employee or councillor using his or her vested authority to improperly benefit another employee or councillors, person or entity or using vested authority to improperly discriminate against an employee or councillor, another person or entity.

5.1.6. Conflict of Interest

This involves an employee or councillor acting or failing to act on a matter where the employee or councillor has an interest or another person or entity that stands in a relationship with the employee or councillor has an interest

5.1.7. Abuse of privileged information

This involves the use of privileged information and knowledge that an employee or councillor possesses as a result of his or her office to provide unfair advantage to another person or entity to obtain a benefit, or to accrue a benefit to him or herself. This may also involve the misuse of confidential information of the



Municipality by people in positions of trust, for example through the misuse of computer access control.

5.1.8. Favouritism

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

5.1.9. 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 outlined above are by no means exhaustive as fraud and corruption appears in many forms and it is virtually impossible to list all of these.

5.2. Examples of Actions constituting fraud, corruption, theft and maladministration

5.2.1. The term fraud, corruption, theft and maladministration refer to, but are not limited to:

- Any dishonest, fraudulent or corrupt act;
- Theft of funds, supplies, or other assets;
- Maladministration or financial misconduct in handling or reporting of money or financial transactions;
- Making a profit from insider knowledge;
- Disclosing confidential or proprietary information to outside parties;
- Deliberately and dishonestly altering documents, records or vouchers of the municipality for financial gain. For instance:

- Creating false invoices or credit notes;
- Creating fictitious supplier accounts;
- Creating false purchase invoices or destroying supplier credit notes;
- Purchasing items for private use on the municipality's accounts;
- Submitting false claims for remuneration of expenses;
- Buying goods on credit with the full knowledge that council does not have the means to pay for them;
- Approving unauthorised deliveries and/or creating fictitious employees on the Municipality's payroll.

Irregularly accepting or requesting anything of a material value from contractors, suppliers, or other persons providing services/goods to the Municipality, for instance conspiring unfairly to others to obtain a tender;

Irregularly offering or giving anything of a material value to contractors, suppliers, or other person providing services/goods to the Municipality; and/or special favours or concessions to clients/suppliers or contractors or other parties in exchange for remuneration in the form of cash or other benefits.

- Destruction, removal, or abuse of records, furniture, and equipment as well as unauthorised private use of the Municipality's assets, including vehicles;
- Employing family members of close friends;
- Operating a private business in working hours;



Deliberately omitting to report or act upon reports of any such irregular or dishonest conduct;
Acts of financial misconduct contemplated in terms of sections 171 to 173 of the MFMA;
Incidents of unauthorized, irregular or fruitless and wasteful expenditure as defined in section 32 of the MFMA; and
Any similar or related irregularity as prescribed by the Prevention and Combating of Corrupt Activities Act, the MFMA and other applicable legislation.

6. FRAUD AND CORRUPTION STRATEGIES

The approach in identifying, controlling and mitigating fraud and corruption is divided into three main areas:

Organisational Strategy
Operational Strategy
Maintenance Strategy

6.1. Organisational Strategy

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

6.1.1. Responsibilities of Accounting Officer and Fraud and Corruption Committee

- a) 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. It is the responsibility of the Accounting Officer to appoint an Anti-Fraud and corruption committee.
- b) Anti-Fraud and Corruption Committee-The role of the committee is set out below:
 - i) Oversee the Municipality's approach to fraud prevention, fraud detection strategies and respond to fraud and corruption incidents reported by employees or other external parties.
 - ii) The committee must be chaired by one of the independent members from the Audit Committee.
 - iii) Representatives from the various departments must also form part of the members of the committee
 - iv) The committee must also be represented from a member from the Internal Audit division
 - v) The committee must meet on a regular basis (as determined by the Accounting Officer and the rest of the committee) to discuss all related fraud and corruption matters

6.1.2. Ethical Culture of the Municipality

- a) The Municipality is required to conduct itself in an ethical and moral way.



- b) 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 a Municipality reflects the Municipality's ethical conduct. In this regard, the highest standards of ethics are required by employees when fulfilling their duties.
- c) 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 the Municipality

6.1.3. Senior management commitment

- a) Senior management must 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.
- b) 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 and that it will ensure the Municipality's overall fraud and corruption strategy is reviewed and updated regularly.
- c) Furthermore, 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.

6.2. Operational Strategy

6.2.1. Internal Control

- a) 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.
- b) All areas of operations require internal controls, for example:
 - i) Physical controls (securing of assets);
 - ii) Authorisation controls (approval of expenditure);
 - iii) Supervisory controls (supervising day-to-day issues);
 - iv) Analysis of data;
 - v) Monthly and annual financial statements;
 - vi) Reconciliation of bank statements, monthly; and
 - vii) Reconciliation of vote accounts, monthly.
- c) The Internal Audit Division will be responsible for implementing an internal audit program which will incorporate steps to evaluate adherence to internal controls. In the event that the municipality does not have an internal audit department the Accounting Officer will delegate this function to an individual until such time that the internal audit division is operational.

6.2.2. Prevention of fraud and corruption

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



a) Assessment of Fraud and Corruption Risk

The Municipality, under the guidance of the Accounting Officer and the Chairman of the Anti-Fraud and Corruption Committee, must conduct annual fraud and corruption risk assessments to identify potential fraud and corruption risk exposures to the *Ngaka Modiri Molema District 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.

b) 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:

- Anti-Fraud and Corruption strategy;
- Code of Conduct for employees;
- Whistle blowing policy;
- How to respond to fraud and corruption; and
- Manifestations of fraud and corruption in the workplace.

It is the responsibility of the Accounting Officer to identify an individual that will be responsible for employee awareness and that will arrange and schedule awareness sessions throughout the year.

c) Recruitment procedures

Recruitment will be conducted in accordance with the Recruitment Policy. 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 HR Department and withdraw from any further procedures

d) 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 Division will compile such a plan on an annual basis, and such a plan will also include "surprise audits".

e) 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.

f) Disclosure of interests

All senior managers of the Municipality will be required to disclose their specific personal assets and business interests on an annual basis. This register will be kept with the Accounting Officer.

6.2.3. Detection of fraud and corruption

Detection of fraud and corruption may occur through:

- a) Internal Audit-Through surprise audits, post transaction reviews, review of management reports and data analysis
- b) External Audit-Chief Financial Officer will need to hold discussions with engaged external auditors to ensure due consideration is given, by the auditor, to ISA 240 "The Auditors' Responsibility to Consider Fraud in the Audit of a Financial Statements".
- c) Employee Awareness – To report to management any suspicions on fraud and corruption

6.2.4. Response to fraud and corruption

a) Reporting fraud and corruption

i) Responsibility of Reporting

It is the responsibility of every employee of the Municipality to report incidents of fraud, corruption, theft, maladministration and other suspected irregularities of this nature to his/her Manager. If the employee is not comfortable reporting such matters to his/her immediate supervisor or manager, he/she should report the matter to any other member of management, the Municipal Manager and/or the Chairperson of the Anti-Fraud and Corruption Committee

Should an employee wish to make a report anonymously, such a report may be made to any member of management, the Municipal Manager, the Chairperson of the Anti-Fraud and Corruption Committee and/or the Speaker or the Mayor.



Consistent with section 32 of the MFMA and in terms of this Policy, the Municipal Manager must inform the Executive Mayor, Council, the MEC for Local Government in the North West and the Auditor-General, in writing of:-

any unauthorized, irregular, fruitless and wasteful expenditure incurred by the Municipality; and in terms of this policy, shall also include serious incidents of fraud, corruption, theft, maladministration and other suspected irregularities of this nature;

whether any person is responsible or under investigation for such unauthorized, irregular, wasteful or fraudulent expenditure; and

the steps that have been taken to:-

recover or rectify such expenditure; and

to prevent a recurrence of such expenditure.

ii) Whistle Blowing

One of the key obstacles to fighting fraud and corruption is the fear by employees of being intimidated to identify or "blow the whistle" on fraudulent, corrupt or unethical practices witnessed in the work place.

Those who often do "blow the whistle" end up being victimised and intimidated. For this reason, the Ngaka Modiri Molema District Municipality has set out the detailed procedures on Whistle Blowing later in this policy which must be followed in order to report any incidents of fraud and /or corruption. This section on Whistle Blowing is designed to comply with the provisions of the Protected Disclosures Act.

Any suspicion of fraud and corruption will be treated seriously and will be reviewed, analysed, and if warranted, investigated. If an employee becomes aware of a suspected fraud, corruption or any irregularity or unethical behaviour, such issues should be reported in terms of the section on Whistle Blowing.

b) Managing the allegation

Should a departmental director or any other person receive an allegation of fraudulent or corrupt activity, he or she will ensure that the Accounting Officer is advised at the earliest opportunity.

The Accounting Officer will appoint an appropriate manager (usually within the Department in which the alleged fraud or corruption has been identified) to conduct or co-ordinate an investigation into the allegations. The manager appointed to conduct or co-ordinate the



investigation of an allegation of fraud may consult the Chairman of the Anti-Fraud and Corruption Committee on technical aspects of the investigation.

Upon receipt of an allegation of a suspected fraud, the immediate concern of the manager or investigating officer should be the preservation of evidence and the containment of loss.

c) Investigating Fraud and Corruption

i) Investigations

In the event that fraud or corruption is detected or suspected, independent investigations will be initiated, and if warranted, disciplinary proceedings, prosecution or action aimed at the recovery of losses will be initiated. Anonymous reports may warrant a preliminary investigation before any decision to implement an independent investigation is taken

The responsibility to conduct investigations relating to the actions listed in this policy resides with Council, the Municipal Manager and the Departmental Directors within the Municipality. All investigations performed and evidence obtained will be in accordance with acceptable practices and legal requirements. Independence and objectivity of investigations are paramount.

The accounting officer may decide to appoint a suitably qualified and experienced advisor, consultant or person to conduct the investigations. For example:

Internal and external audit services;

State Attorney;

External investigating agencies, for example the SAPSs, where matters fall within their mandate;

External consultants, for example Forensic Accounting consultants;

Office of the National Director of Public Prosecutions;

Special Investigating Units established under any law;

The Public Protector;

Any other authority as may be determined by Council

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 is deemed appropriate as a result of the investigation.

Investigations may involve one or more of the following activities:

Interviewing of relevant witnesses, internal and external, including obtaining statements where appropriate;

Reviewing and collating documentary evidence;



Forensic examination of computer systems;
Examination of telephone records;
Enquiries from banks and other financial institutions (subject to the granting of appropriate approval/Court orders);
Enquiries with other third parties;
Data search and seizure;
Expert witness and specialist testimony;
Tracing funds /assets /goods;
Liaison with the police or other law enforcement or regulatory agencies;
Interviewing persons suspected of involvement in fraud and corruption; and Report preparation.

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

ii) Disciplinary proceedings

The ultimate outcome of disciplinary proceedings may involve a person 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.

iii) Prosecution

Should investigations uncover evidence of fraud or corruption in respect of an allegation or series of allegations, the Ngaka Modiri Molema District Municipality 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. The Municipality will give its full co-operation to any such law enforcement agency including the provision of reports compiled in respect of investigations conducted.

iv) Recovery action

Where there is clear evidence of fraud or corruption and there has been a financial loss to the Municipality, 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.



The Municipality may, in terms of this policy and section 176 (2) of the MFMA, recover such losses or damages incurred by the Municipality. Therefore an employee or councillor shall be held liable for the recovery of financial losses that occurred due to deliberate or negligent unlawful actions.

In the event that the Municipal Manager reported the unauthorised, irregular or fruitless expenditure as stated in section 32 of the MFMA, the Municipal Manager may utilize the amendments to the Pension Funds Act, which allows an employer, on registration of a criminal docket with the SAPS, to request the pension fund to freeze the employee's or the councillor's benefit payments who has been allegedly involved in financial misconduct, pending finalization of the criminal prosecution.

Thereafter, if the employee or councillor is convicted, any losses caused by the employee or councillor shall be deducted from the benefits due to the employee or councillor concerned or shall be recovered from the assets owned by the person concerned.

Exit interviews and exit checklist procedures will be performed in the event of dismissal from the Municipality for misconduct or fraud. This is necessary to ensure that factors contributing to misconduct and fraudulent activity by employees can be managed as a process to mitigate fraud risk.

v) Internal control review after discovery of fraud

In each instance where fraud is detected, Departmental Director will 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 Departmental Director concerned.

6.3. Maintenance Strategy

6.3.1. Review of the Effectiveness of Anti-Fraud and Corruption Policy

The Ngaka Modiri Molema District Municipality will conduct a review of the Anti-Fraud and Corruption Policy on annual basis to determine the effectiveness thereof. This will be done in conjunction with the findings from the Internal Audit division and External Audit findings.

The Accounting Officer is ultimately accountable for this review and may appoint a person to take responsibility for this.



6.3.2. Review and updating the Anti-Fraud and Corruption Policy

A central part of any fraud and corruption control programme should involve an on-going review of fraud and corruption risk exposures.

Fraud and Corruption risk assessments will also be conducted annually at the same time as the review of the Anti-Fraud and Corruption Plan. As with the review, the Accounting Officer is ultimately accountable for this and may delegate a person to take responsibility.

7. PROTECTED DISCLOSURE

7.1. Protection of Whistle Blowers

The Protected Disclosures Act makes provision for the protection of employees or councillors who make a disclosure in terms of the provisions of this Act.

- 7.1.1. Any disclosure made in good faith and in accordance with the procedures outlined in this policy with regards to reporting, is considered a protected disclosure. An employee or councillor making such a disclosure is protected from being subjected to an occupational detriment.
- 7.1.2. An employee who suspects or reports suspected dishonest activity which he/she has witnessed should be afforded the opportunity to remain anonymous should he/she so require.
- 7.1.3. Allegations made by employees, that are false and made with malicious intentions should be discouraged by managers. Where such malicious or false allegations are discovered, the person who made the allegations must be subjected to firm disciplinary action. Such disclosures are not protected by the Protected Disclosures Act.
- 7.1.4. The Municipality recognizes that employees or councillors will be concerned about potential victimization, recrimination and even threats to their personal safety as a consequence of disclosing such fraudulent and/or corrupt activities. The Municipality shall provide measures to protect the information and the identity of the person (when such protection is required).

7.2. Harassment

- 7.2.1. The Municipality acknowledges the fact that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for any fraudulent or corrupt conduct or irregularity.
- 7.2.2. The Municipality shall not tolerate harassment or victimization and shall take action to protect employees or councillors when they report an irregularity in good faith.
- 7.2.3. Any act of harassment or victimization should be reported, in line with the reporting protocol of the Municipality. This does not mean that if an employee is



already the subject of a disciplinary process, that action will be halted as a result of making a 'protected disclosure' in terms of the Protected Disclosure Act

7.3. Confidentiality

- 7.3.1. Information relating to fraudulent, corrupt or dishonest acts that is received and reported to any supervisor, manager or an executive director and/ or the municipal manager shall be treated with the utmost confidentiality.
- 7.3.2. The progression of the investigation will be handled in a confidential manner and will not be disclosed or discussed with any other person(s) other than those who have a legitimate right to such information. This is important in order to avoid harming the reputations of the suspected person(s) who may be subsequently found innocent of any wrongful conduct.

7.4. Anonymous Allegations

The Municipality encourages employees or councillors to put their names to allegations of acts of corruption and/or fraud. Nevertheless they will be followed up at the discretion of the Municipality. This discretion will be applied by taking into account the following:

- 7.4.1. the seriousness of the issue raised;
- 7.4.2. the credibility of the concern; and
- 7.4.3. the likelihood of confirming such an allegation

7.5. False Allegations

- 7.5.1. Employees or councillors must understand the implications (resources and costs) of undertaking investigations and should therefore guard against making allegations, which are false and made with malicious intent.
If in the course of the investigation it should be found that the allegations were made with malicious intent, such allegations shall be treated in a very serious light. The employee concerned must be subjected to a disciplinary enquiry. Should a councillor be involved, the Code of Conduct for Councillors shall be applied.

8. PENALTIES

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct and will be dealt with in terms of the Disciplinary Code implemented by the Ngaka Modiri Molema District Municipality.

9. DISPUTE RESOLUTION

If there is a dispute about the interpretation or application of this policy any party may refer the matter to the Head of Department. If the dispute is not successfully resolved it may be resolved through the Municipal Grievance Procedure Policy.



10. ANNUAL REVIEW OF THE POLICY

The policy must be reviewed by the Accounting Officer on an annual basis to ensure compliance with all laws and regulations. If amendments are made the updated policy must be approved by way of council resolution.

11. IMPLEMENTATION OF THIS POLICY

This policy will be effective from the date the policy is approved per council resolution. The implementation of this policy cannot be backdated and all sections thereof will only be implemented from date of approval.

