

GIFT AND REWARD POLICY

KAROO HOOGLAND MUNICIPALITY

1. INTRODUCTION

The KAROO HOOGLAND MUNICIPALITY subscribes to the principles of good corporate governance, which requires conducting business in an honest and transparent fashion. The KAROO HOOGLAND MUNICIPALITY is also committed in fighting fraudulent behaviour at all levels within the organization. Taking the aforesaid into account, it is of critical importance that all officials of the KAROO HOOGLAND MUNICIPALITY be informed of the KAROO HOOGLAND MUNICIPALITY 's position on the acceptance and offering of business courtesies, including gifts and rewards and that such business courtesy occurs within ethical standards as prescribed in legislation.

2. LEGISLATIVE FRAMEWORK

In terms of Section 8 of Schedule 2 (Code of Conduct for Officials) of the Local Government: Municipal Systems Act, 2000, 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.

A staff member must without delay report to a superior official any offer which, if accepted by the staff member, would constitute a breach of the Code of Conduct for Officials.

Furthermore, Regulation 47 of the Municipal Supply Chain Management Regulations provides as follows:

- “(1) No person who is a provider or prospective provider of goods or services to a municipality or municipal entity, or a recipient or prospective recipient of goods disposed or to be disposed of by a municipality or municipal entity, may either directly or through a representative or intermediary promise, offer or grant-
- (a) any inducement or reward to the municipality or municipal entity for or in connection with the award of a contract; or
 - (b) any reward, gift, favour or hospitality to-
 - (i) any official of the municipality or municipal entity; or
 - (ii) any other role-player involved in the implementation of the supply chain management policy of the municipality or municipal entity.
- (2) The accounting officer of a municipality or municipal entity must promptly report any alleged contravention of sub-regulation (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Sub-regulation (1) does not apply to gifts less than R350-00 in value.”

The Supply Chain Management Policy and the SIPDM Policy of the KAROO HOOGLAND MUNICIPALITY also provides that: “An official may not accept an reward, gift favour, hospitality or other benefits directly or indirectly, including to any family member, partner or associate of that person, of a value more than R350- 00.

An official must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefits promised, offered or granted to that person or to any close family member, partner or associate of that person.”

In a court finding regarding a charge of bribery, Judge JH Steyn stated that if a Public Servant were to receive money or any other benefit from a private institution which has any connection with the State, and was subsequently to perform his official duties in any field that has a direct or indirect bearing on the interest of the donor, he would be guilty of bribery though he might only have been “performing his duties”.

3. DEFINITIONS

Gifts for the purpose of this policy will be defined as the receipt of physical presents, awards, rewards, hospitality, donations, money, sponsorships, commissions or any other benefit or gratification that is received by an employee in his or her official capacity. This policy includes all items received by KAROO HOOGLAND MUNICIPALITY employees that have a residual or resale value, but does not exclude other remuneration.

“Gratification” means gratification as defined in Section 1 of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No 12 of 2004)

“Gifts” excluded from this policy – those received from family members or friends in a personal capacity which cannot be linked to an employee’s employment with the KAROO HOOGLAND MUNICIPALITY or his or her official capacity or official involvement with the other party.

4. PRINCIPLES

- 4.1 It is often standard business practice within the private sector to offer gifts and hospitality to current and potentially future clients. The acceptance of such gifts and hospitality may be accepted under certain conditions.
- 4.2 Any acceptance of an offer of a bribe or a commission must however be viewed as illegal and may result in criminal action.
- 4.3 KAROO HOOGLAND MUNICIPALITY officials must take great care not to be placed in a situation where their actions might be construed to be improper, may indicate bias towards an organization or person, or indicate favouritism towards any organization or person.
- 4.4 The acceptance of gifts or hospitality by KAROO HOOGLAND MUNICIPALITY officials should be the exception and not the rule. If doubt exists about the propriety of the gift or hospitality, then it must be refused.
- 4.5 The basis for remuneration of officials is their pay and any allowances to which they might be entitled. This must not be supplemented by the acceptance of gifts or hospitality for the work that they perform.
- 4.6 If, due to the relationship of an official to a service provider, a relative or friend is offered a gift or hospitality, this must be refused.

- 4.7 Under no circumstances should an official of the KAROO HOOGLAND MUNICIPALITY attempt to **solicit a gift from a service provider**.
- 4.8 The receipt of gifts is subject to the limitation of an accumulated Rand value of **R350** per individual for gifts in a specific financial year. Any gifts exceeding the said monetary value are subject to approval by the Municipal Manager in the event of officials of the KAROO HOOGLAND MUNICIPALITY other than the Municipal Manager and the Mayor in the event of the Municipal Manager.

5. SCOPE OF APPLICATION

This policy applies to all employees of the Karoo Hoogland Municipality, whether permanently employed or on a contract basis.

6. EXECUTION OF THE POLICY

The power of authority from granting permission vested in the Municipal Manager with regard to the acceptance of gifts, commissions, fees rewards, sponsorships and other benefits is delegated to the respective Manager of the employee concerned in respect of the following:

- invitations to business meals, provided it is done in a circumspect and responsible manner;
- calendars, diaries, cuff-links, ties or articles for normal official use which display the suppliers name, trade mark or log and which are presented for advertising purposes. The acceptance of any articles on which these do not appear is also subject to the permission of the Municipal Manager.
- invitations to sports meetings during office hours – in highly exceptional cases and then only with prior approval. Invitations to meetings which take place outside of office hours may be accepted with due consideration being paid to the provisions of balance and circumspection. Employees may, however, under no circumstances initiate requests by approaching service providers in this regard.

The power of authority vested in the Municipal Manager from the granting of permission for the acceptance of the following cannot be delegated:

- gifts intended as a token for good relations/co-operation;
- travel offered by service providers to attend exhibitions promoting their products/services or for other (private) purposes, provided these are in the interest of the KAROO HOOGLAND MUNICIPALITY ;
- as a rule, all accommodation expenses are paid by the KAROO HOOGLAND MUNICIPALITY . Offers for the payment of such expenses may be accepted in exceptional circumstances during, for instance promotions, etc. Requests in this regard will, however, only be considered in respect of events such as mass promotions programmes held at public venues;
- no sponsorship or donations may be requested from service providers, except in highly exceptional cases, for instance for the attendance of congresses or similar events.

7. ACCEPTANCE OF GIFTS AND AWARDS BY EMPLOYEES

With regard to the above-mentioned legislation, ethical principles, Supply Chain Management Policy as well as to protect of officials, officials should as a general rule not accept gifts, nor should relatives or friends of the official accept gifts, where the gift has been given because of the giver's official relationship with the official or with the KAROO HOOGLAND MUNICIPALITY.

The following circumstances should apply:

7.1 Trivial Gifts

Seasonal gifts such as diaries or calendars and inexpensive promotional items may be retained. Gifts of over R350-00 should be refused. Gifts with a retail value of less than R350-00 may only be accepted and retained where they can be considered occasional gifts and the acceptance and retention thereof would not give rise to public concern. If an official is unsure of the appropriateness of accepting a gift, he should consult the Municipal Manager.

7.2 Where refusal may offend

Non-trivial gifts should as a matter of course be refused. However, circumstances may arise where the refusal of a gift may give offence or prejudice the business interest of the KAROO HOOGLAND MUNICIPALITY. An example may be a gift from a foreign government, or a token of appreciation for public appearance. In such circumstances, pending the approval of the Municipal Manager, the gifts may be accepted and if possible put on display at the workplace.

7.3 Retention of gifts

It may sometimes be appropriate to retain a gift for display purposes in the workplace. An example may be in the case of a pending reciprocal visit by the donor.

7.4 Gifts from colleagues

Personal gifts from colleagues may be accepted as tokens of friendship or appreciation. These may be accepted when they are gifts of a purely personal nature and where the receipt thereof does not breach the spirit or principles set out in this policy.

7.5 Awards and prizes

Officials may be considered for an award or a prize, on merit, as a result of endeavours in their field. The individual may accept such an award or prize on condition that it is recorded.

7.6 Per-diem

Officials are encouraged to contribute to the academic excellence of their field, and may as a result of this, write or publish academic articles in recognised journals. The standard practice is for the journal to grant a per-diem to the person whose article is reviewed by peers and subsequently published.

7.7 Other incentives

Other favours or considerations may be offered by a service provider which cannot be clearly defined as either a gift or an offer of hospitality. Any offer of using special discount or reduced cost to acquire goods or services by a service provider must be declined. Similarly, offers of using outlets not available to the general public must be declined.

8. DECLARATION AND RECORDING

All officials are required to declare offering of business courtesies and gifts they were offered or have received. The Municipal Manager or his nominee shall decide whether an employee may retain offering of business courtesies or gifts. Items received for which could be clearly defined as marketing material does not constitute a gift provided it is below the value of R350-00 .Should the value of the marketing material be in question or disputed, the value of the marketing material will be determined by the Municipal Manager in consultation with the Chief Financial Officer.

Officials must report offering of business courtesies or gifts by completing the attached report to his/her Manager. The declaration of offering or business courtesies or gifts received must contain a description of the following:

- the source of the hospitality/donor of the gift
- the venue and type of hospitality/description of gift
- the names of the persons receiving the hospitality/gift
- the names of the persons or service provider giving the hospitality/gift
- whether the hospitality/gift was accepted/retained
- a valuation of the gift must be provided
- the estimated maintenance cost for a gift received (if applicable) should be recorded

Managers must report the declarations to the Municipal Manager and the Municipal Manager must report the declarations to the Mayor. **Each Manager shall keep a register** of all offering of business courtesies or gifts received within his/her directorate and will be responsible to report and submit such register quarterly to the Internal Auditor for submission to the Audit Committee.

The Manager Human Resources is responsible for the communication of this policy to all officials of the KAROO HOOGLAND MUNICIPALITY and must ensure that the content hereof is included in induction sessions for new appointees.

9. DISPOSAL

Any gifts received contrary to this policy should be disposed of based on the instruction of the Municipal Manager

10. ENFORCEMENT

- 10.1 The success of this policy will depend on the consideration and cooperation of all KAROO HOOGLAND MUNICIPALITY personnel. All employees share the responsibility for adhering to and enforcing the policy. Any conflicts should be brought to the attention of the appropriate Manager and if necessary the Municipal Manager.
- 10.2 Officials are personally responsible for making declarations appropriately within 14 days after receipt of the gift or hospitality.
- 10.3 Non-compliance with this policy or a failure to declare a gift or hospitality, will be regarded as a serious transgression, which could lead to a disciplinary action. Penalties range from an informal warning to dismissal for gross misconduct depending on the severity of the event.

11 COMMUNICATION

This policy will be communicated to all Karoo Hoogland Municipal employees using the full range of communication methods available to the municipality.

12. POLICY REVIEW

This policy will be reviewed on an annual basis and adjusted where necessary.

13. NONE COMPLIANCE

Non compliance of any of the stipulations contained in the Policy will be viewed as misconduct and will be dealt with in terms of Karoo Hoogland’s Disciplinary Code.

14. DISPUTE RESOLUTION

Any dispute arising from this policy due to ambiguous wording or phrasing must be dealt with in line with the South African Local Government Bargaining Council.

AUTHORITY

Consulted: LLF : Date: _____

SAMWU : IMATU :

MM Approval: Date:

Council Approval: Date:

MAYOR:.....

KAROO HOOGLAND MUNICIPALITY
DECLARATION OF GIFTS RECEIVED

PART 1

I, _____ (Name and Surname) hereby declare that I have received the following gift(s) which has/have been accepted by me on the understanding that it is in full compliance with legislation and the KAROO HOOGLAND MUNICIPALITY's policy:

Description of Gift	Rand value of gift	Source of gift (person and company/ institution)	Relationship with source	Date received
Signature			Date	
Directorate			Pay number	
Note: Officials submit declaration to Manager, who submits to Municipal Manager, who submits to Mayor				
PART 2				
Comments by Manager/Municipal Manager/Mayor				
Resolved (Mark applicable block with an "X")				
That the employee may retain the gift			That the employee must return the gift	
That the matter be reported to National Treasury			That the matter not be reported to National Treasury	
Signature			Date	