

# KAROO HOOGLAND MUNICIPALITY

## CONSEQUENCE MANAGEMENT POLICY 2023/2024

Revised May 2023

APPROVED BY COUNCIL PER ITEM \_\_\_\_\_ ON \_\_\_\_\_ (date)

IMPLEMENTATION DATE 1 JULY 2023


  
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**Policy Governance**

<b>Policy Title</b>	<b>CONSEQUENCE MANAGEMENT POLICY</b>	
<b>Policy Version</b>	<b>DRAFT</b>	
<b>Role &amp; Process</b>	<b><u>Responsible Individual</u></b>	<b><u>Responsibility Accepted</u></b>
	<b><u>Name and/or Date</u></b>	<b><u>Signature</u></b>
Policy Custodian	Administration	
Policy Author	Christelle Viljoen	
Council Approval Date		
Council Approval Reference		
<b>ADMINISTRATION</b>		
Policy Approved		
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Policy Review "Triggers"		
<b>Comments</b>		

  
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## 1. INTRODUCTION

- 1) The Karoo Hoogland Municipality has a zero tolerance approach to **fraud, corrupt activities or acts of dishonesty.**
- 2) Political leaders and municipal officials who deliberately or negligently ignore their duties and disobey legislation will be decisively dealt with by enforcing the legislated consequences for transgressions.
- 3) The purpose of this document is to:
  - a) Identify the types of transgressions and breaches and the relevant role players;
  - b) Document the remedies available to the municipality and when to implement these remedies; and
  - c) Identify the parties / role players responsible for implementation of available remedies and recovery of misspent funds.

## 2. OBJECTIVES

- 1) To ensure that the Council and the Management have created and maintained an effective control environment in the organization that demonstrates and stimulates the necessary respect for legislative requirement and compliance and for the Karoo Hoogland Municipality's systems, policies and by:
  - a) Implemented the Regulations for Financial Misconduct and Offences, 2014;
  - b) Adhering to Section 32 of the Municipal Financial Management Act, 2003 (Act 56 of 2003);
  - c) Identify and act against financial misconduct and offences in terms of section 171 and 173 of the Municipal Financial Management Act, 2003 (Act 56 of 2003).
- 2) To ensure that the following Committees are relevant and functional and that they are guided by the Councils policies and the specific terms so references developed for each of them;
  - a) A Disciplinary Board as prescribed in terms of the Municipal Regulations for Financial Misconduct Procedures and Criminal Offences, GN 430 of 30 May 2014;
  - b) A Municipal Public Accounts Committee;
  - c) A section 32 Committee;
  - d) A special committee to investigate misconduct by councillors in terms of the code of conduct for councillors as contained in Schedule 1 to the Systems Act, 2000 (Act 32 of 2000).
- 3) To develop and maintain the following policies that will also take into account the principles as contained in this Policy;(these policies serve as preventative measures) :
  - a) Irregular Expenditure policy;
  - b) Anti-Corruption and Fraud Prevention Policies;
  - c) Human Resources Strategy and related policies;
  - d) Terms of reference for the Disciplinary Committee of councillors;
  - e) Supply Chain Management Policy;
  - f) Code of Conduct/Code of Ethics;
  - g) Disciplinary Code Collective Agreement and proceedings
- 4) To ensure that councillors and employees are aware that there are different transgressions and available remedies to manage transgressions as described in this Policy as set out in different pieces of legislation.

  
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### 3. PRINCIPLES

- 1) Financial misconduct, fraud, theft, corruption, maladministration and dishonest activities will not be tolerated by the Council and Management;
- 2) All incidents that have been reported will be investigated and where applicable the necessary and prescribed remedial- and disciplinary steps will be taken;
- 3) All cases of alleged irregular expenditure that constitutes a criminal offence and all cases of theft, fraud and corruption will be reported to the South African Police;
- 4) Councillors and employees are responsible for reporting financial misconduct, financial offences or corruption;
- 5) The public may also report financial misconduct, financial offences or corruption;
- 6) The Council will apply appropriate prevention and detection controls and take appropriate legal action to recover losses or damages incurred due to financial misconduct and financial offences committed by councillors or employees.
- 7) This Policy does not consider reporting and review procedures in respect of general misconduct and poor work performance by municipal employees or political office bearers.
- 8) General misconduct and poor work performance of employees must be managed in accordance with relevant human resources policies, employment contracts and collective agreements; and
- 9) All cases of misconduct in the case of councillors will be managed in terms of the code of conduct as contained in Schedule 1 to the Systems Act, 2000 (Act 32 of 2000).

### 4. FINANCIAL MISCONDUCT

- 1) Financial misconduct as defined in terms of sections 171 and 172 of the Municipal Financial Management Act, 2003 (Act 56 of 2003), refers to the actions of officials of municipalities and municipal entities and means the misappropriation, mismanagement, waste or theft of municipality's funds. It includes instances where a senior manager or official deliberately or negligently fails to carry out a delegated duty, contravenes or fails to comply with a condition of a delegated duty and provides incorrect or misleading information to the mayor, council, Auditor General National Treasury or an organ of the state or to the public.
- 2) Depending on the circumstances and the nature of the incident, financial transgressions or misconduct can be serious or less serious. The seriousness will indicate the consequence management steps to be followed. This may inter alia, includes any of the following or a combination thereof:
  - a) a suspension; and or
  - b) disciplinary hearing; or
  - c) internal sanction and or
  - d) the recovery of financial losses incurred; and/or
  - e) the institution of criminal proceedings.

### 5. FINANCIAL OFFENCES

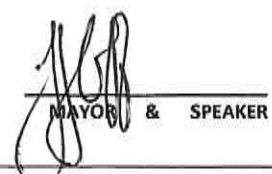
- 1) Section 173 of the Municipal Financial Management Act, 2003 (Act 56 of 2003), indicates that any transgressions relating to fraud, theft and corruption are deemed to be **financial offences** and in this case, it may warrant the institution of criminal proceedings.
- 2) Other than financial misconduct which is acts of employees, financial offences can be committed by councillors, employees and any other person.

### 6. FRAUD, THEFT AND CORRUPTION

- 1) The definitions of fraud, theft and corruption are contained in the municipality's policies.



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## 7. REPORTING AND INVESTIGATION

- 1) The reporting and investigation of any allegations will be done in terms of the relevant legislative requirements and the municipality's policies.

## 8. PROTECTION OF WHISTLE BLOWERS

- 1) The municipality will endeavour to create a culture of whistle blowing and will protect whistle blowers;
- 2) The municipal policy on fraud and corruption will provide for proper guidelines in order to protect whistle blowers.

## 9. HARASSMENT AND VICTIMISATION

- 1) The municipality will endeavour to create a supportive environment in the workplace and will not tolerate any harassment or victimisation;
- 2) The municipal policy on fraud and corruption will provide for proper guidelines in order to protect employees against harassment and victimisation.

## 10. ANONYMOUS ALLEGATIONS

- 1) Anonymous allegations will be allowed and the municipal policies (Whistle Blower Policy and Act) will provide therefore, however it may be very difficult to follow up on anonymous allegations and to properly investigate it and it will also not be possible to report back to the person who made the allegations.

## 11. CONFIDENTIALITY

- 1) The municipality will, during an investigation, protect the parties, their reputation and physical safety;
- 2) The municipality will keep all information relating to the reported activities and the investigation confidential and discussions on the matters will be restricted to the alleged offender and any witnesses and where applicable a representative of the offender.

## 12. ANNEXURES

- 1) The Accountability and Consequences management Protocol, 2020 from SALGA are attached as guideline to this policy.



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