

“ The City of Heritage ”



ULUNDI LOCAL MUNICIPALITY

ANTI-FRAUD AND CORRUPTION POLICY

PREAMBLE

1. Definitions

“**Municipality**” means the Municipality of Ulundi

“**Employer**” means the municipal council of the Ulundi Municipality

“**Councillor**” means a community representative appointed as a PR or Ward Representative

“**Employee**” means an employee of the Employer and can be a permanent, temporary or contractual incumbent.

“**Relative**” is a person related to the employee in the first, second or third degree and includes a step-family member. (A child is related to his/her father in the first degree and a grandchild is related to the grandfather in the second degree) the spouse or fiancé(e) of the employee or the spouse or fiancé (e) or any person referred to above, any adopted child of the employee or adopted child of the persons referred to above.

“**Integrity**” is a shared commitment to act in an open, honest and fair manner in all dealings, thereby instilling trust between all parties

2. Code of Conduct

Municipal staff members shall comply with Schedule 1 (Code of Conduct for Councillors) and Schedule 2 (Code of Conduct for Municipal Staff Members) of the Local Government Municipal Systems Act (Act No 32 of 2000).

In summary everyone is to:

- trust one other and be professional in their conduct;
- never to abuse authority, privileges or benefits provided by the municipality;
- be honest in all actions and shall portray a self image and a corporate image of integrity, honesty and stringent business ethics;
- respect the beliefs and viewpoints of colleagues, customers and suppliers;
- honour the spirit of all contracts and agreements entered into, both internally and externally;
- never to use the municipality's name, or sacrifice impartial judgment, for the sake of personal benefit
- uphold the highest moral standards in day-to day activities.

Officials and councillors may not engage in practices or pursue private or personal interests which are in conflict with the municipality's interests. A conflict of interest in this sense is one that could result in financial damage or loss for the municipality or harm to the municipality's image in the eyes of the business associates or the general public.

3. Declaration of offers

All offers of gifts, cash payments or considerations other than promotional gifts offered to an employee, must be reported immediately to the Departmental Head. The onus is on the employee to decide what constitutes a gift, and, in cases of doubt should discuss that with his/her Departmental Head.

All offers of gifts, cash payments or considerations other than promotional gifts offered to a councilor must be reported immediately to the Speaker. The onus is on the councilor to decide what constitutes a gift, and, in cases of doubt should discuss that with the Speaker.

4. Conflict of Interests

A conflict of interest exists when councilors / officials have direct or indirect personal interests or derive benefits from transactions to which the municipality or an employee in his capacity as employee is also a party. Such situations must be avoided and prevented at all times in the interest of honest bona fide business practices. The onus rests on the persons themselves to disclose all potentially conflicting interests. All such interests should be disclosed in line with the description below.

4.1 Appointments

An appointment as director of public companies, private companies and public bodies or appointment as a member of a close corporation must be submitted in advance through the normal management channels via the Speaker or the relevant Departmental Head as the case may be, to the Municipal Manager for consideration, prior to the acceptance of such appointment.

4.2 Alternative employment: conducting business

An employee shall not be entitled, without the knowledge and prior written consent of the employer:

- to be directly employed full-time or part-time by any person or other business concern.
- to conduct any business on behalf of another company whilst being a (1) shareholder or partner in that company, (2) member of a closed corporation or (3) related and/or affiliated to it in any other capacity
- to perform any work for any third party for normal and/or material remuneration.

4.3 Other interests

The prior written approval of the employer is required for all transactions concluded by the employee directly or appointments of employees of whatsoever nature which will or may result in an employee or any of his / her relatives receiving income or any benefit which has a monetary value which would be in conflict either with this policy or the business of the employer.

4.4 Reporting

Full particulars of the transactions/appointments or interests referred to above must be reported and disclosed to the Departmental Head to enable him to:

- record the interest concerned confidentially
- inform, where appropriate, the Municipal Manager of other details, who will then decide whether the interest concerned conflicts or contains elements which conflict with municipal business. Approval of a particular interest may be made subject to certain conditions or withheld if there is a potential conflict of interests.

4.5 Existing interests

All existing outside interests of employees which had already been established and not declared must be disclosed and declared in accordance with the aforementioned procedure, as soon as possible.

5. Confidential Information

An employee is required during his/her employment or thereafter to keep confidential and not disclose any of the municipality's confidential documentation, technical know-how and data drawings, systems, formulas, methods, software, processes, client lists, programs, marketing and/or financial information to any person other than persons employed and/or authorised by the municipality are required to know such secret information for the purpose of their employment and association with the municipality.

The employee shall in particular adhere to the above obligation not to disclose any confidential information to any undertaking, firm, company or person with whom the municipality may at any time be in technical and or commercial competition, co-operation or association.

Employees are required to take adequate precautions to ensure that all confidential information that is not generally available to the ordinary public, will not be leaked to persons who are not entitled to it. Notwithstanding the above employees must adhere to the provisions of the Promotion of Access to Information Act (Act 4 of 2003) and when in doubt to refer matters to the Council's Information Officer.

6. Use of Municipal Services and Assets

Municipal services and/or assets which do not form part of an employee's service benefits may not be used for private purposes.

7. Making or receiving donations

No donation may be made by or on behalf of the municipality or received by and on behalf of the municipality in a manner that contradicts this policy, the Code of Conduct, the MFMA or any legislation.

8. Acceptance of Gifts and Rewards

8.1 Applicability

Employees should always act with integrity and should not allow any person (irrespective of the fact that the person is his/her superior or employed by the municipality) to induce him/her by way of any reward with a monetary value to him/her or to a relative, to do or omit or do anything which is prejudicial or potentially prejudicial to the municipality. Such conduct constitutes a serious offence that may lead to dismissal.

8.2 Prohibited Acts

In order to provide specific guidelines to employees, in particular, the following acts are prohibited:

Acceptance of any expensive gifts or considerations of a high monetary value for example TV sets, refrigerators, sponsored holidays, hunting trips, flight Tickets and cases of liquor.

Offers of this kind must be politely but firmly declined or immediately returned to sender if delivered without prior notice of acceptance of cash payments, whether large, or small, under any Circumstances constitute a serious offence.

8.3 Declaration of offers

All reported immediately by employees to the Supervisor or to the relevant Departmental Head, as the case may be, who is required to convey the details to the Municipal Manager and the Chief Financial Officer, in writing. Offering of gifts or hospitality or rewards of a monetary value will lead to severe disciplinary action as well as the termination of future dealings with the Supplier concerned.

8.4 Publicity Gifts

Occasional small promotional gifts, as well as business lunches which are in fact necessary or useful to promote or expedite business affairs, will not be regarded as a contravention of this policy or as constructing a conflict of interest. Employees should, however, keep in mind that if such gifts are given or accepted with a corrupt or fraudulent intention or in conflict with the rules set out in paragraph 8.1 above, then it constitutes a transgression. If an employee is uncertain whether a gift or other consideration may be accepted, he should immediately consult the superior or his / her Departmental Head as the case may be.

If gifts or considerations of a monetary value are received by any relative, friend or acquaintance of an employee from any person in circumstances which may give rise to a conflict of interests, or influence an employee in the execution of his / her normal duties then the employee concerned must immediately report such gift or consideration to his/her Departmental Head or who will take action in terms of 8.1 above.

All transactions, exchanges or gifts and invites to events should always be circulated openly.

9. General Application

This policy applies to all employees and councilors of the Ulundi municipality. Any reference in this document to a Departmental Head is replaced by the Municipal Manager and in the case of the Municipal Manager by the Mayor if a Departmental Head or the Municipal Manager, as the case may be, is personally involved.