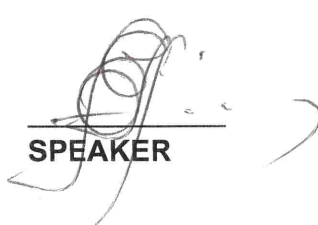




**FRAUD & CORRUPTION MANAGEMENT, PROMOTION OF ETHICS,
PROFESSIONALISM POLICY AND PLAN
JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY**

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SPEAKER


DATE

JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY



FRAUD AND CORRUPTION MANAGEMENT, PROMOTION OF ETHICS AND PROFESSIONALISM POLICY AND PLAN

MR. I.E AISENG
JOHN TAOLO GAETSEWE
DISTRICT MUNICIPALITY
SPEAKER

Table of Contents

1.	BACKGROUND	3
2.	PURPOSE	3
3.	SCOPE OF THE POLICY	4
4.	LEGAL CONTEXT	4
4.1.	The Local Government: Municipal Finance Management Act (Act 56 of 2003)...	4
4.2.	The Prevention and Combating of Corrupt Activities Act (PCCA) 12 of 2004	6
4.3.	Protected Disclosures Amendment Act, 2017 (Act 5 of 2017)	9
4.4.	Local Government: Municipal Systems Act, 2000 (Act 32/2000).....	10
4.4.1.	Schedule 1 Code of Conduct for Councillors	10
4.4.2.	Schedule 2 Conduct for Municipal Staff Members	11
4.5.	Code for Ethical Leadership in Local Government.....	12
5.	DEFINITIONS.....	16
6.	POLICY STATEMENT	18
7.	APPROACH	18
7.1.	Promoting High Ethical Standards and Professionalism	18
7.2.	Prevention and Deterring	22
7.3.	Response and Consequences Management.....	24
8.	POLICIES REPEALED.....	24
9.	POLICY REVIEW	25
10.	REFERENCES.....	25
	ANNEXURE A: MUNICIPAL REGULATIONS ON FINANCIAL MISCONDUCT PROCEDURES AND CRIMINAL PROCEEDINGS, 2014	27
	ANNEXURE B: CODE FOR ETHICAL LEADERSHIP IN LOCAL GOVERNMENT	28

MR. I.E AISENG
JOHN TAOLO GAETSEWE
DISTRICT MUNICIPALITY
SPEAKER

1. BACKGROUND

It is common cause that fraud and corruption has reached endemic proportions in South Africa. Fraud, corruption, embezzlement, theft and maladministration poses risk for any organisation and perhaps even more so at the local sphere of government. It is therefore sensible for the John Taolo Gaetsewe District Municipality to take a stand and put measures in place to combat such improprieties and unethical behaviour.

It is reasoned that fraud, corruption, misrepresentation, embezzlement, theft, and maladministration speak to the morality of individuals and the organisation. All of these improprieties are unethical in nature, although not all unethical behaviour is illegal. It follows that the promotion of ethics should be part of any effort to address fraud and corruption. This document, with other policy documents and plans are therefore designed to put measures in place to prevent and deter fraud, corruption, theft and related activities and to promote a high standard of ethics in the Municipality. Ethics management will therefore not be handled as a separate policy matter, but as integral to this policy and possible subsequent plans.

2. PURPOSE

The purpose of this Policy is to develop and foster a climate of ethical behaviour within John Taolo Gaetsewe District Municipality (JTGDM) where all councillors and employees at all times strive to:

- ✓ Conduct themselves in an ethical manner;
- ✓ Promote ethics, integrity, fraud and corruption prevention, fraud detection and response awareness;
- ✓ For the ultimate eradication of fraud, corruption, theft and maladministration by means of application of the full spectrum of pro-active measures at their disposal; and

- ✓ Put measures in place to respond to instances of unethical behaviour, including fraudulent and corrupt activities.

3. SCOPE OF THE POLICY

This policy applies to the following persons and/or entities:

- 3.1. All political office bearers and councillors;
- 3.2. All employees
- 3.3. Consultants, suppliers, contractors and other service providers to the Municipality;
- 3.4. Non – Governmental Organisations and other parties receiving benefits from the Municipality;
- 3.5. Communities and/or community members receiving services from the Municipality and/or benefitting from the activities of the Municipality; and
- 3.6. Any person/s or legal entity acting for or on behalf of the Municipality.

4. LEGAL CONTEXT

4.1. The Local Government: Municipal Finance Management Act (Act 56 of 2003)

The Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA) assigns the Accounting Officer (Municipal Manager) to be responsible for the management of the financial administration of the Municipality and to this extent to take reasonable steps to ensure (Section 62(1)(b, c and e)):

- (a) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;*
- (b) “that the municipality has and maintains effective, efficient and transparent systems –*
 - (i) of financial and risk management and internal control; and*

- (ii) *of internal audit operating in accordance with any prescribed norms and standards.”*
- (e) *“that disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15.”*

Section 61 of the MFMA stipulates that:

- (1) *“The accounting officer of a municipality must-*
 - (a) *act with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs;*
 - (b) *disclose to the municipal council and the mayor all material facts which are available to the accounting officer or reasonably discoverable and which in any way might influence the decisions or actions of the council or the mayor; and*
 - (c) *seek, within the sphere of influence of the accounting officer to prevent any prejudice to the financial interests of the municipality.*
- (2) *An accounting officer may not-*
 - (a) *act in a way that is inconsistent with the duties assigned to accounting officers of municipalities in terms of this Act; or*
 - (b) *use the position or privileges of, or confidential information obtained as, accounting officer for personal gain or to improperly benefit another person.”*

Section 115 of the MFMA stipulates that:

- (1) *“The accounting officer of a municipality or municipal entity must-*
 - (b) *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, corruption, favouritism and unfair and irregular practices.”*

In terms of Section 171 of the MFMA “The accounting officer of a municipality *commits an act of financial misconduct if that accounting officer deliberately or negligently-*

(d) provides incorrect or misleading information in any document which in terms of a requirement of this Act must be –

- (i) submitted to the mayor or the council of the municipality, or to the Auditor-General, the National Treasury or other organ of state; or*
- (ii) made public.”*

It is also financial misconduct when any other official employed by the Municipality provides such incorrect or misleading information to the accounting officer in terms of Sections 2(d) and 3(d). It is further stipulated in Section 4 that allegations of financial misconduct must be investigated and institute disciplinary proceedings if the investigation warrants such a step.

4.2. The Prevention and Combating of Corrupt Activities Act (PCCA) 12 of 2004

The Prevention and Combating of Corrupt Activities Act (PCCA) 12 of 2004 (Government Printing Works, 2004) defines the offence of corruption in Section 3 as follows:

“Any person who, directly or indirectly-

- a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or*
- b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person, in order to act personally or by influencing another person so to act. in a manner that*
 - i) amounts to the-*

(aa)illegal, dishonest, unauthorised, incomplete, or biased; or
(bb)misuse or selling of information or material acquired in the course of the
exercise, carrying out or performance of any powers, duties or functions
arising out of a constitutional, statutory, contractual or any other legal
obligation:

ii) that amounts to-

(aa)the abuse of a position of authority;

(bb)a breach of trust; or

(cc) the violation of a legal duty or a set of rules;

iii) designed to achieve an unjustified result; or

iv) that amounts to any other unauthorised or improper inducement to do or not
to do anything.”



The PCCA continues *inter alia* to list all manner of corruption offences in respect of supply chain management and contract related activities in Sections 12, 13, 14, and 17.

It is against the law, as defined in the PCCA Section 19, to interfere, hinder or obstruct an investigation of an offence. It is stated that:

“Any person who, at any stage, with intent to defraud or to conceal an offence in terms of this Chapter or to interfere with, or to hinder or obstruct a law enforcement body in its investigation of any such offence-

(a) destroys, alters, mutilates or falsifies any book, document, valuable security, account, computer system, disk, computer printout or other electronic device or any entry in such book, document, account or electronic device, or is privy to any such act;

(b) makes or is privy to making any false entry in such book, document, account or electronic device; or

(c) omits or is privy to omitting any information from any such book, document, account or electronic device, is guilty of an offence.”

Sections 20 and 21 deals with accessories to or after an offence and attempting, conspiring and inducing another person to commit an offence, respectively. Section 20 states that:

“Any person who, knowing that property or any part thereof forms part of any gratification which is the subject of an offence in terms of Part 1, 2, 3 or 4, or section 21 (in so far as it relates to the aforementioned offences) of this Chapter, directly or indirectly, whether on behalf of himself or herself or on behalf of any other person-

- (a) enters into or causes to be entered into any dealing in relation to such property or any part thereof; or*
- (b) uses or causes to be used, or holds, receives or conceals such property or any part thereof, bis guilty of an offence.”*

Section 21 states that:

“Any person who-

- (a) attempts;*
- (b) conspires with any other person; or*
- (c) aids, abets, induces, incites, instigates, instructs, commands, counsels or procures another person to commit an offence in terms of this Act, is guilty of an offence.”*

MR. I.E AISENG JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY SPEAKER

It is an offence in terms of Section 34 of the PCCA for any person in a position of authority who knows or who ought reasonable to have known that any other person committed an offence in terms of the Act under Part 1, 2, 3 or 4, or Section 20 or 21. Such person of authority with knowledge or suspicion of an offence is also obliged to report same, or cause same to be reported to any police official. This includes “theft, fraud, extortion, forgery or uttering a forged document, involving an amount of R100 000 or more.

The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 (Government Printing Works, 2014) outlines the procedures to be followed in instances of financial misconduct and offences and must be read with both the MFMA and PCCA.

4.3. Protected Disclosures Amendment Act, 2017 (Act 5 of 2017)

It is prohibited in Section 3 of the Protected Disclosures Amendment Act, 2017 (Act 5 of 2017) (PDA) to subject an employee or worker to any occupational detriment by his or her employer on account, or partly on account, of having made a protected disclosure (Government Printing Works, 2017). The PDA list protected disclosures in terms of the following categories of improprieties (Section 1(b))

“1. In this Act, unless the context otherwise indicates -

(b) “disclosure’ means any disclosure of information regarding any conduct of an employer, or of an employee or of a worker of that employer, made by any employee or worker who has reason to believe that the information concerned shows or tends to show one or more of the following:

- (a) That a criminal offence has been committed, is being committed or is likely to be committed;*
- (b) that a person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject;*
- (c) that a miscarriage of justice has occurred, is occurring or is likely to occur;*
- (d) that the health or safety of an individual has been, is being or is likely to be endangered;*
- (e) that the environment has been, is being or is likely to be damaged;*

- (f) *unfair discrimination as contemplated in Chapter II of the Employment Equity Act, 1998 (Act No. 55 of 1998), or the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000); or*
- (g) *that any matter referred to in paragraphs (a) to (f) has been, is being or is likely to be deliberately concealed;*”

It is an offence to intentionally disclose false information, PDA Section -

- (a) *“knowing that information to be false or who ought reasonably to have known that the information is false; and*
- (b) *with the intention to cause harm to the affected party and where the affected party has suffered harm as a result of such disclosure...”*

4.4. Local Government: Municipal Systems Act, 2000 (Act 32/2000)

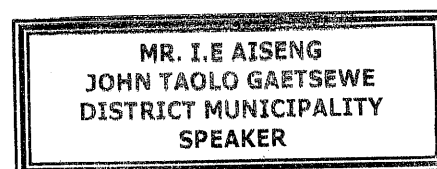
4.4.1. Schedule 1 Code of Conduct for Councillors

Schedule 1, Code of Conduct for Councillors in Local Government: Municipal Systems Act, 2000 (Act 32/2000) (Government Printing Works, 2000) compels a councillor to (Section 2):

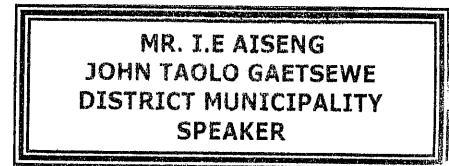
- (a) *“perform the functions of office in good faith, honestly and a transparent manner; and*
- (b) *at all times act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised.”*

The Code continues to regulate:

- ✓ Attendance of council and committee meetings;
- ✓ Disclosure of direct and indirect business interests;
- ✓ Personal gain;
- ✓ Declaration of interest;



- ✓ Paid word by full time councillors;
- ✓ Rewards, gifts and favours;
- ✓ Unauthorised disclosure of information;
- ✓ Intervention in administration;
- ✓ Intervention in administration;
- ✓ Council property, and
- ✓ Councillor in arrears.



The Code also prescribes procedures to be followed when the Code is breached. The Code of Conduct is also applicable to traditional leaders participating in the proceedings of council.

4.4.2. Schedule 2 Conduct for Municipal Staff Members

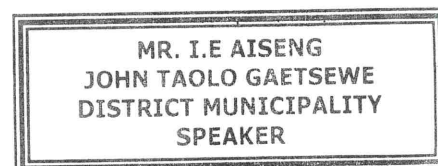
Similarly, Schedule 2, Code of Conduct for Municipal Staff Members in Local Government: Municipal Systems Act, 2000 (Act 32/2000) (Government Printing Works, 2000) (Section 2) stipulates:

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."*

The Code continues to regulate:

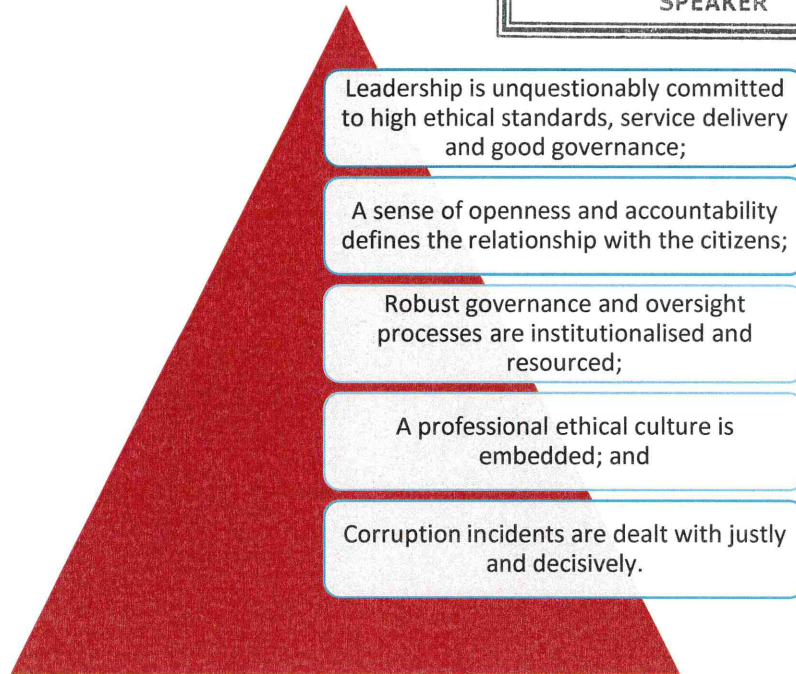
- ✓ Commitment to serving the public interest;
- ✓ Personal gain;
- ✓ Disclosure of benefits;
- ✓ Unauthorised disclosure of information;
- ✓ Undue influence;
- ✓ Rewards, gifts and favours;
- ✓ Council property;
- ✓ Payment of arrears;
- ✓ Participation in elections, and
- ✓ Reporting duty of staff members.



The Code also prescribes procedures to be followed when the Code is breached.

4.5. Code for Ethical Leadership in Local Government

“The National Development Plan 2030 envisions a society which has zero tolerance for corruption, with an empowered citizenry who hold leaders to account and ‘leaders who act with integrity and have high ethical standards’. This is taken further in the National Anti-Corruption Strategy 2020-2030 that sets ‘ethical leadership’ as one of its seven strategic objectives, and envisages an ‘ethical, transparent and accountable state, business and civil society sectors in which those in positions of power and authority act with integrity’. The absolute importance of ethical leadership – specifically in local government – is further elaborated on by the Local Government Anti-Corruption Strategy (2015) which envisions a local government sector where:”



The Code for Ethical Leadership in Local Government is a culmination of a national dialogue to determine values and principles for ethical governance in municipalities, that specifies not only abstract values, but specifically how to operationalise good governance and ethical leadership in practice.

***"The purpose of the Code** is to give guidance to local government leaders on how to navigate those issues that have the biggest impact on ethical governance in municipalities based on the research. There are certain behaviours that are destructive to ethical governance, and should be avoided, and others that are supportive of ethical governance, and should be promoted."*

The Municipal Codes of Conduct, as discussed in paragraphs above, *"...contain vital principles of general conduct, ... are predominantly a list of do's and don'ts that councillors and staff members have to abide by in terms of their personal conduct. As the names say, they are codes of conduct."*

While the Code for Ethical Leadership in Local Government contains some elements of personal conduct, it is predominantly about **the role that leaders**

should play to ensure ethical and effective municipalities. So instead of being a code of personal conduct, **it is a governance code**, similar to the King Code for Corporate Governance. It guides leaders on how to create well-governed and effective organisations.

The Code is attached hereto as an annexure and forms an integral, albeit principally guiding, part of the policy. *"This Code aims to give effect to the spirit of the Constitution and create an environment where the existing legislative and regulatory framework can thrive, by setting out the following in relation to ethical leadership in local government:"*

- **The outcomes:** What is it that we want to achieve?



- **The spirit:** What is our core consideration?

Spirit of Ethical Municipal Leadership:

Leading in the long-term sustainable interest of the municipality and all its communities.

- **The principles:** What must be done to achieve the outcomes?

MR. I.E AISENG
JOHN TAOLO GAETSEWE
DISTRICT MUNICIPALITY
SPEAKER

“The principles indicate what municipal leaders should do to achieve the desired outcomes. The spirit of ethical municipal leadership (as a core consideration) should always guide how the principles are implemented.”

The principles on which the Code is based are as follows and are comprehensively discussed in Code itself:

- 
1. Sets the tone for an ethical culture.
 2. Follows a community-centred approach to governance.
 3. Respects the boundary between the political and administrative spheres of the municipality.
 4. Ensures the appointment of staff who have competence and integrity.
 5. Ensures the appropriate level of competence, integrity, and diversity on committees and oversight structures.
 6. Deals fairly and decisively with ethics transgressions and poor performance.
 7. Engages respectfully and constructively with other leaders.

It is important to note that this *“Code sets out principles that should be applied by anybody who finds themselves in a municipal leadership role. At the political level this includes councillors and traditional leaders, and at the administrative level it includes municipal managers and all other managers. The spirit and intent should, however, be filtered down to all municipal officials ... The Constitution specifies that the municipality consists of three components: the council, the administration and the community. Since the community is included in the definition of a municipality, the Code also sets out how communities can support the spirit and principles of the Code.*

There are a host of other role-players, for example, political parties, business, and service providers, who are not necessarily governed by municipal

legislation and codes, but who also have a significant impact on the ethical culture in municipalities. These too should be guided by the spirit of the Code."

5. DEFINITIONS

All terms used in this policy have the same meaning as the meaning it has in the legislation that it relates to and that is referred to in this policy, unless otherwise specified and/or defined.

The following terms are specifically defined:

Fraud: CR Botha in Minnaar (2019) defines fraud as follows: "*Fraud is the unlawful, intentional making of misrepresentation which causes actual prejudice to another or holds potential prejudice to another.*" This is irrespective of whether or not there is a personal benefit to the perpetrator.

Misrepresentation: Minnaar (2019) defines misrepresentation as follows: "*A misrepresentation is made when X makes a representation to Y implying that a condition or set of conditions exist that, in reality, does not exist. A misrepresentation may be made:*

- *by way of behaviour (such as nodding your head); or*
- *by way of an omission (to omit to do something); or*
- *when there is a misrepresentation regarding a fact."*

Fraudulent activities inter alia include:

- (a) Embezzlement;
 - (b) Misappropriation;
 - (c) Falsification and Forgery;
 - (d) Overstatement of assets and income to conceal unauthorised transactions;
 - (e) Understatement of liabilities and expenses to conceal illegal transactions;
- and

MR. I.E AISENG
JOHN TAOLO GAETSEWE
DISTRICT MUNICIPALITY
SPEAKER

Page 16 of 28

(f) False or omitted disclosure.

Corruption: The definition of the offence of corruption in the Prevention and Combating of Corrupt Activities Act (PCCA) 12 of 2004 is retained. However, for the purposes of this policy corruption is summarised as follows: “The giving or receiving of gratification to derive benefit from and/or influence the outcome of any administrative process.”

Maladministration: “Faulty, inefficient or improper management or administration, especially by a government body,” Definitions (2019).

Action or inaction related to maladministration include (Wikipedia, 2019):

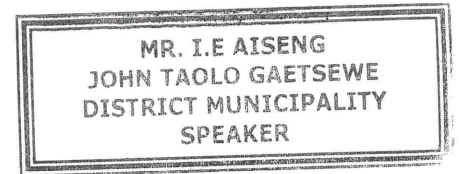
- Delay;
- Incorrect action or failure to take any action;
- Failure to follow procedures or the law;
- Failure to provide information;
- Inadequate record-keeping;
- Failure to investigate;
- Failure to reply;
- Misleading or inaccurate statements;
- Inadequate liaison;
- Inadequate consultation; and
- Broken promises.

Irregularity: “...means the state of being irregular. It also refers to a behavior that amounts to a breach of a rule or custom. It can also be an improper or dishonest conduct,” (US Legal 2019).



Theft: “Theft is defined as the physical removal of an object that is capable of being stolen without the consent of the owner and with the intention of depriving the owner of it permanently,” (Encyclopaedia Britannica, 2019). It is general term and include crimes of larceny, robbery and burglary. Theft and fraud are often interrelated such as in the case of embezzlement.

6. POLICY STATEMENT



The John Taolo Gaetsewe District Municipality is committed to zero tolerance to any fraud, corruption, maladministration, theft and/or any other dishonest activities of a similar nature and endeavours to embed an ethical institutional culture whilst giving effect to its service delivery mandate.

7. APPROACH

The Municipality has a three-pronged approach to fraud and corruption, namely:

7.1. Promoting High Ethical Standards and Professionalism

Councillors and officials shall dedicate themselves to promote the vision and mission of the Municipality, which are respectively as follows:

VISION:

“Economic Hub of Excellence for a Sustainable, Innovative, and Competitive District.”

The Vision statement of the JT Gaetsewe District Municipality reflects its commitment to the ideal of an integrated, development-focused district, and is built on the following municipal elements:

People development	Improved quality of living (Provision of basic services, improved levels of education and sustainable job opportunities, Lower unemployed and poverty levels, Skills development programmes, access to facilities and utilities and community participation.
Economic positioning	Beneficiation of the natural resources, Advancement of the local economy to diversity from the high concentration on the primary sector to secondary and tertiary sectors, Advanced industrialisation, established investments opportunities, skilled work force, firm management of economic drivers and finances, Township economy, Knowledge economy.
Spatial Restructuring and Environmental	Proper implementation of planning tools, functional linkages, environmental protection, Spatial integration of existing settlements, Inclusive and equitable development, Climate change adaptation strategy, Protection of the Critical Biodiversity Areas (CBA), Balance between developments and the environment, Remote spatial and land use management.
Infrastructure engineering and Service provision	Improved road network access and the maintenance thereof, improved bulk infrastructure and maintenance, migrate mining freight from road to rail transport.
Institution and governance	Improve the IGR structures, frequent communication to communities on institutional and financial issues, Proper implementation of policies.

Mission: *"To drive inclusive economic growth and sustainable development through transparent governance, effective service delivery, and coordinated support to local municipalities. We are committed to empowering communities, fostering partnerships, and enhancing infrastructure to ensure a prosperous and resilient district that benefits all its residents."*

MR. I.E AISENG
JOHN TAULO GAETSEWE
DISTRICT MUNICIPALITY
SPEAKER

The Municipality strives to develop and serve the people of the district by embracing the following core values:

Development:	Strive for the development of the district and its people, while also striving for own personal development
Commitment:	Stay committed to the vision of the JTGDM and to serving the people of the District in whatever we do.
Care:	To show empathy and care towards others, while striving to promote a positive working atmosphere; and
Integrity:	Stay true in whatever you commit to performing your duties to the best of your ability, while conducting yourself professionally at all times.

Councillors and employees of the Municipality, as well as any person/s or organisation/s representing and/or acting on behalf of the Municipality shall therefore:

MR. I.E AISENG
JOHN TAOLO GAETSEWE
DISTRICT MUNICIPALITY
SPEAKER

Public safety, health and welfare	Hold paramount the safety, health and welfare of the public in the performance of professional duties;
Honour, integrity and the dignity	Act in such a manner as to uphold and enhance personal honour, integrity and the dignity of the profession;
Respect and consideration	Treat with respect and consideration all persons, regardless of race, religion, gender, sexual orientation, maternity, marital or family status, disability, age or national origin;
Vision and mission	Engage in carrying out the vision and mission of JTGDM in a professional manner;
Professional reputations	Build professional reputations on the merit of services and refrain from competing unfairly with others;
Chief function	Recognize that the chief function of the Municipality at all times is to serve the best interest of its constituency;
Personal duty	Accept as a personal duty the responsibility, to keep up to date on emerging issues and to conduct themselves with professional competence, fairness, impartiality, efficiency and effectiveness;
Respect Structures	Respect the structures and their responsibilities;
Organizational and operational duties	Conduct organizational and operational duties with positive leadership exemplified by open communication, creativity, dedication, and compassion;
Discretionary authority	Exercise whatever discretionary authority they have under the law to carry out the mission of the organization;
Serve	Serve with respect, concern courtesy and responsiveness, in carrying out the organization's mission;
Highest standard	Demonstrate the highest standard of personal integrity, truthfulness, honesty, fortitude, in all activities in order to inspire, confidence, and trust in such activities;
Interest	Avoid any interest or activity that is in conflict with the conduct of their official duties;
Information	Respect and protect privileged information to which they have access in the course of their official duties; and
Personal and professional excellence	Strive for personal and professional excellence and encourage the professional development of others.

MR. I.E AISENG
JOHN TAULO GAETSEWE
DISTRICT MUNICIPALITY
SPEAKER

Programmes to promote high ethical standards accountability, transparency and professionalism may include:

- ✓ Ethics awareness and/or training sessions;
- ✓ Ethics surveys to both determine the understanding of ethics, professionalism and morality, as well as the prevalence of unethical behaviour;
- ✓ Articles in the internal newsletter of the Municipality;
- ✓ Declaration of interest clauses in future agreements with service providers;
- ✓ Undertaking to maintain high levels of ethics and professionalism in future agreements with service providers;
- ✓ Declaration of interest and/or conflict of interest in all meetings of the Council, Portfolio Committees, Oversight Committees, Tribunals, Panels, or any committee where decisions are taken;
- ✓ Skills Development Plan and Report;
- ✓ Employment Equity Plan and Report;
- ✓ Regular performance and financial reporting;
- ✓ Council outreach programmes and community meetings; and
- ✓ Annual report including annual financial statements and annual performance report.

7.2. Prevention and Deterring

Fraud and corruption prevention can be seen as the cumulative effect of preventative and detection systems incorporated by management. Detection of fraud can only lead to the prevention thereof if the response thereto acts as a deterrent.

Appropriate prevention and detection controls will be applied. These include the existing controls and checking mechanisms as prescribed in existing

policies, procedures and other relevant prescripts to the activities of the municipality, and systems.

The following measures are inter alia in place to prevent and/or detect, deter dishonest activities, and promote ethical conduct:

- ✓ Code for Ethical Leadership in Local Government
- ✓ Internal Controls in all Departments;
- ✓ Accounting Officer and Senior Management Commitment;
- ✓ Recruitment Policy and Pre-employment screening;
- ✓ Accounting and Operational Policies;
- ✓ Fraud and Corruption Management and Promotion of Ethics and Professionalism Policy and related plans;
- ✓ Employee awareness campaigns and training;
- ✓ Risk assessment workshop, risk register and risk progress reporting;
- ✓ Risk Management Policy;
- ✓ Code of conduct for both councillors and employees;
- ✓ Disclosure of interests register;
- ✓ Declaration of interest at meetings;
- ✓ Internal and External Audits;
- ✓ Other fraud and corruption reporting mechanisms;
- ✓ Investigating suspicions and/or allegations of fraud and corruption;
- ✓ Oversight Committees such as:
 - Municipal Public Accounts Committee;
 - Audit, Risk and Performance Committee;
- ✓ Management Committee;
- ✓ Risk Management Committee;
- ✓ Training Committee; and
- ✓ Local Labour Forum.

MR. I.E AISENG
JOHN TAULO GAETSEWE
DISTRICT MUNICIPALITY
SPEAKER

7.3. Response and Consequences Management

It is the of policy of John Taolo Gaetsewe District 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. Actions may include the laying of criminal charges, civil and administrative actions and financial recoveries or goods, where applicable.

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. In addition, these will be investigated and followed up by the application of all remedies available within the full extent of the law.

Allegations and reports of dishonest activities will be referred to the Disciplinary Board in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014. Said Regulations comprehensively prescribes procedures to be followed in reporting, responding to, investigating and taking action in cases of financial misconduct. These procedures will be followed in all instances of alleged financial misconduct. The Regulations are attached to and forms part of this Policy.

8. POLICIES REPEALED

The 2026 reviewed Fraud and Corruption Management, Promotion of Ethics and Professionalism Policy and Plan, as well the Ethics Management Strategy and Implementation Plan replace all prior ethics and fraud related policies and Implementation Plans.

**MR. I.E AISENG
JOHN TAOLO GAETSEWE
DISTRICT MUNICIPALITY
SPEAKER**

9. POLICY REVIEW

This policy shall be reviewed as and when circumstances dictated, but at least every five years.

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**ANNEXURE A: MUNICIPAL REGULATIONS ON FINANCIAL MISCONDUCT
PROCEDURES AND CRIMINAL PROCEEDINGS, 2014**



ANNEXURE B: CODE FOR ETHICAL LEADERSHIP IN LOCAL GOVERNMENT

