



LEKWA TEEMANE LOCAL MUNICIPALITY

FRAUD AND ANTI-CORRUPTION POLICY

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1. INTRODUCTION

- 1.1** The Constitution of the Republic of South Africa, 1996 enshrines the rights of all people in the Republic of South Africa affirming the democratic values of human dignity, equality and freedom; placing a duty on the State to respect, protect, promote and fulfil all the rights as enshrined in the Bill of Rights.
- 1.2** Given that corruption and related corrupt activities undermine these rights, endangering the stability and security of societies; undermining the institutions and values of democracy, ethical values and morality; jeopardise sustainable development; the rule of law and the credibility of governments, and provide a breeding ground for organised crime encouraging the illicit acquisition of personal wealth which may be particularly damaging to democratic institutions, national economies, ethical values and the rule of law.
- 1.3** The purpose of this document is to set out the responsibilities of the employees and members of the public, with regard to Anti-Fraud and Corruption Policy as well as Fraud and Corruption Prevention Plan and the action that will be taken by the Municipality in the event of any contravention.
- 1.4** Given that there are links between corrupt activities and other forms of crime, in particular organised crime and economic crime, including money-laundering proving that corruption is a transnational phenomenon that affects all societies and economies, and is equally destructive and reprehensible within the public sector making it essential for local government to prevent and control corruption and related corrupt activities.
- 1.5** This Anti-Fraud and Corruption Policy is about changing organisational features that allow the events to occur and possibly go unnoticed or unreported. The strategies incorporated in the Fraud and Corruption Prevention Plan should address issues such as accountability, transparency, efficiency, effective and clean administration. Further these strategies should focus on improving systems and procedures, changing the attitudes of the staff and members of the public and improving the overall integrity and performance of or as we are attempting here, to incorporate it in several – such as the Anti-Fraud and Corruption Policy, Fraud Corruption Prevention Plan Codes of

Ethics/Conduct etc.

- 1.6** This Anti-Fraud and Corruption Policy covers the prevention, detection and management of fraud and corruption and for fair dealing in matters pertaining to fraud and corruption. It aims to raise the awareness of fraud and corruption and its prevention in the Municipality environment and to give guidance to both the reporting of suspected fraud and corruption and how the investigations of that report will proceed.
- 1.7** The Municipality has a duty to protect the public funds under its control against fraud and corruption both from within the Municipality and from external sources. This Anti-Fraud and Corruption Policy is part of the Municipality's commitment to sound corporate governance.
- 1.8** The Municipality expects all employees at all levels lead by example in the achievement of probity and accountability by ensuring adherence to legal requirements, regulations, rules, procedures, policies and practices.
- 1.9** The Municipality also expects that individuals and organizations (e.g. suppliers, contractors and partners, etc) with whom it comes into contract, will act with integrity and without intent or actions to commit fraud or corruption or any other dishonest activities of a similar nature against the Municipality
- 1.10** This policy is intended to set down the stance of Municipality to fraud and corruption as well as to reinforce existing system, policies, procedures, rules and regulations of Municipality aimed at deterring, prevention, reaction to and reducing the impact of fraud and corruption.
- 1.11** The Municipality recognizes the fact that acts of fraud and corruption by its employees and external stakeholders affect the quality and quantity of service delivery because of limited resources, thus resulting in the Municipality not meeting its objectives.
- 1.12** Fraud and corruption is an ever-present threat to these resources and hence must be a concern to all employees and persons employed in a similar capacity. Fraud and corruption may occur internally or externally and may be perpetrated by anybody including employees, members of the public, councillors, consultants,

suppliers, contractors or development partner, individually or in collusion with others

2. DEFINITIONS AND INTERPRETATIONS

2.1 Fraud

Fraud is defined as unlawful and intentional making of a misrepresentation which causes actual prejudice or which is potentially prejudicial to another. The attempted fraud is treated as seriously as accomplished fraud. The term is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, collusion etc.

2.2 Council or Municipality

Refers to the municipal council of the Lekwa-Teemane Local Municipality referred to in Section 18 of the Municipal Structures Act, and referred to in section 157(1) of the Constitution.

2.3 Computer

Refers to any electronic programmable device used, whether by itself or as part of a computer system or any other device or equipment, or any part thereof, to perform predetermined arithmetic, logical, routing, processing or storage operations in accordance with set instructions and includes any data, computer program or computer data storage medium that are related to, connected with or used with such a device.

2.4 Computer data storage medium

Refers to any device from which data or a computer program is capable of being reproduced or on which data or a computer program is capable of being stored, by a computer system, irrespective of whether the device is physically attached to or connected with a computer system.

2.5 Computer program

Refers to data representing instructions or statements that, when executed in a computer system, causes the computer system to perform a function; “computer system” means— (a) one computer; or (b) two or more inter-connected or related computers, which allow these inter-connected or related computers to— (i) exchange data or any other function with each other; or (ii) exchange data or any other function with another computer or a computer system.

2.6 Corruption

Corruption in terms of section 3 of the Prevention and Combating of Corrupt Activities Act 12 of 2004 is committed by any person who directly or indirectly –

- 2.6..1 accepts or agrees or offers to accept any gratification from any other person, whether for the benefits of himself or herself or for the benefit of another person: or
- 2.6..2 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 amounts to the :
 - 2.6..2.1 illegal, dishonest, unauthorized, incomplete, or biased; or
 - 2.6..2.2 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, that amounts to-
 - 2.6..2.2.1 the abuse of a position of authority;
 - 2.6..2.2.2 a breach of a position of authority;
 - 2.6..2.2.3 the violation of a legal duty or a set of rules;

designed to achieve an unjustified result; or that amounts to any other unauthorised or improper inducement to do or not to do anything.

Corruption can take various forms. In this document the following examples of corruption and other irregular conduct are referred to as corruption –

Bribery: Bribery involves the promise, offering or giving of a benefit that improperly affects the actions or decisions of the employee.

Extortion: Coercion of a person or entity to provide a benefit to the employee, another person or an entity, in exchange for acting (or failing to act) in a particular manner.

Abuse of power: The use by the employee of his or her vested authority to improperly benefit another employee, person or entity (or using vested authority to improperly discriminate against another employee, person or entity).

Conflict of interest: The failure by the employee to act or to consciously fail to act on a matter where the employee has an interest in another person or entity that has some form of relationship with the employee or the municipality.

Abuse of privileged information: This involves the use or unauthorised sharing, by the employee of privileged information and knowledge that the employee possesses as a result of his/ her office to provide unfair advantage to another person or entity to obtain

a benefit.

Nepotism: If an employee ensures that family members are appointed to positions within the municipality or that family members receive contracts from the municipality, this could be regarded as nepotism. Nepotism may also involve favouritism or cronyism where the provision of services or resources is distributed according to personal affiliation (for example the culture or religion) of an employee.

These manifestations are by no means exhaustive as corruption appears in many guises and it is not possible to list all of these. In summary, corruption is an act done with the intent to give some advantage, inconsistent with an official duty, a set of rules and the rights of others in exchange for some form of gratification. It is wider than bribery, because it is not limited to the public sector only.

2.7 Cyber fraud

Any person who unlawfully and with the intention to defraud makes a misrepresentation by means of data or a computer program; or through any interference with data or a computer program or interference with a computer data storage medium or a computer system which causes actual or potential prejudice to another person or the municipality, may be found to be guilty of the offence of cyber fraud in terms of the Cybercrimes Act 19 of 2020 who may be liable on conviction to a fine or to imprisonment or to both a fine and such imprisonment.

2.8 Data

Means electronic representations of information in any form.

2.9 Data message

Refers to data generated, sent, received or stored by electronic means, where any output of the data is in an intelligible form.

2.10 Ethics

Are concerned with human character and conduct and deal with questions of right and wrong, appropriate and inappropriate behavior and what constitutes good or bad.

2.11 Municipal Manager/Accounting Officer

Municipal Manager/Accounting Officer refers to a person appointed in terms of section 82(1)(a) or (b) of the Local Government: Municipal Structures Act 117 of 1998.

In this Policy, unless the context otherwise indicates, words and expressions denoting the singular shall include the plural and vice versa, words and expressions denoting the male sex shall include the female sex and vice versa and reference to a natural person shall include a legal person and vice versa.

3 POLICY

3.3 Policy statement

- The Municipality has measures for the prevention, detection and management of fraud and corruption or any other dishonest activities of a similar nature and for fair dealing in matters pertaining to such.
- The Municipality commits itself clearly to the fact that it is firmly committed to dealing with fraud and corruption or any other dishonest activities of a similar nature and deal equally with officials from inside and outside the Council. In addition there will be no distinction made in investigation and action between allegations of financial misconduct and other allegations of impropriety.
- The policy statement, however, will not compromise the Council's Equal Opportunities Policy or any obligations as an employer under the Code of Ethics/Conduct for Local Government Employees.

3.4 Policy Objectives

- To develop an anti- fraud and corruption free culture amongst staff and residents of the Municipality.
- To operate policies and systems which minimise fraud and corruption or any other dishonest activities of a similar nature.
- To develop partnership with other agencies and bodies in the fight against fraud and corruption or any other dishonest activities of a similar nature.
- To develop a highly-skilled anti-fraud profession.

- To ensure that the Municipal management is aware of its responsibilities for identifying exposures to fraudulent and corrupt activities or any other dishonest activities of a similar nature and for establishing controls and preventing such fraudulent and or corrupt activity and/or detecting such fraudulent and corrupt activity when it occurs;
- To provide guidance to employees and members of the public as to what action should be taken where they suspect any fraudulent and corrupt activity;
- To provide a clear statement to staff or any other persons having a business with the Municipality, forbidding any illegal activity;
- To provide clear guidance as to responsibilities for detecting and reporting investigations into fraudulent and or corrupt activities;
- To provide assurances that any reasonable suspicion of fraudulent and or corrupt activity will be fully investigated;
- Provide for a swift investigation of fraudulent and corrupt activities;
- To provide adequate protection and guidance as to appropriate action to employees in circumstances where they are victimized as a consequence of reporting, of being a witness to, fraudulent and/or corrupt activities;
- To provide a suitable environment for employees to report matters that they suspect may concern corruption conduct, criminal conduct, criminal involvement or serious improper conduct.
- To provide for the strengthening of measures to prevent and combat fraud, corruption and any other related corrupt activities.
- To provide for the offence of fraud and corruption and offences relating to corrupt activities.
- To provide for investigative measures in respect of corruption and related corrupt activities.

- To provide for the establishment and endorsement of a Register in order to place certain restrictions on persons and enterprises convicted of corrupt activities relating to tenders and contracts.
- To impose an obligation on individuals in positions of authority to report specified corrupt activities.
- To provide for extraterritorial jurisdiction in respect of the offence of corruption and offences relating to corrupt activities and matters connected therewith.

3.5 Scope of the policy

- This Policy applies to all Councillors and Municipal employees and prohibits all acts of fraud and corruption or any other dishonest activities of a similar nature impacting or having a potential prejudice to the Municipality or members of the public.
- Any investigation required will be conducted without regard to the suspected wrongdoer's length of services, position/title, seniority or relationship to the Municipality.
- In order to understand and be able to detect fraudulent activities, the municipality should be aware of the behavioral aspects of employees which may assist in profiling a typical fraudster and make the municipality structures or processes susceptible to fraud.
- The following, although not exhaustive, reflect the behavioral aspects of employees which are typically "red flags" or "fraud indicators" that the municipality should be aware of in their daily functions indicating that employees may be vulnerable to becoming a target to committing fraud:
 - a. Living beyond one's means
 - b. Sudden change of lifestyle
 - c. Unexplained wealth
 - d. Feeling of being underpaid
 - e. Unusually high personal debts

- f. Suppliers/contractors who insist on dealing with only one particular member of staff
- g. Excessive gambling habits, alcohol and drug abuse
- h. Domestic problems.
- i. Involved in extra-marital relationships
- j. Undue family or peer pressure to succeed
- k. Highly stressful working environment
- l. Always working late. Reluctance to take leave
- m. Refusal to accept promotion
- n. Dissatisfaction or frustration with job and/or continual threats to quit.
- o. Feeling of insufficient recognition for job performance
- p. Close associations with suppliers/contractors/customers/romantic relationships with foreign nationals
- q. Rationalisation or justification of poor performance
- r. Lack of personal stability such as frequent job changes, residence, partners and acquaintances
- s. Desire to “beat the system”
- t. Undisclosed criminal records
- u. Undisclosed conflicts of interest

- Actions constituting fraud and corruption are as outlined below, but not limited to:

- a. Accepting cash to avoid issuing traffic fine ticket
- b. Any breach of Municipal Finance Management Act
- c. Computer fraud or illegal usage
- d. Conflict of interest
- e. Creation of fictitious vendors
- f. Deliberate omitting to report any such acts of dishonesty
- g. Deliberate withholding of any information which could assist in investigating any irregularity
- h. Disclosing confidential or proprietary information to outside parties for financial gain or other reason
- i. Disclosing to other person security measures or activities engaged in or contemplated by the Municipality
- j. Double salary payments
- k. Duplicate payments from the similar invoice
- l. Extortion involving municipal employees in the performance of their duties
- m. ~~Failure to put into place internal controls thus causing financial loss to~~

Municipality

- n. False/inflated invoices
- o. False sick leave, overtime or qualifications
- p. Forgery or alteration of any document or account including cheque, bank draft, stock records or any other financial document relating to transactions with Municipality
- q. Ghost employees
- r. Housing subsidy fraud
- s. Improper usage of property
- t. Illegal allocation of low cost houses
- u. Irregular destruction, removal or inappropriate use of records, documents, furniture, fixtures, material and equipment
- v. Issuing of false business licenses
- w. Misappropriation or theft of funds, securities, suppliers or other assets
- x. Procurement fraud
- y. Purchase for personal use
- z. Requesting or accepting or seeking anything of material value to the Municipality
- aa. Any dishonest, fraudulent or corrupt act or other similar or related inappropriate conduct

4 ENVIRONMENT AND CULTURE

4.3 The management must create an environment and culture in which employees believe that dishonest acts will be detected and investigated. To this end, they must:

- participate in in-house training programs covering fraud and corruption detection, fraud and corruption prevention and training on the code of ethics;
- ensure that staff understand that the internal controls are designed and intended to prevent and detect fraud and corruption or any other dishonest activities of a similar nature;
- encourage staff to report suspected fraud and corruption directly to those

responsible for investigation without fear of disclosure or retribution; and

- require vendors and contractors to agree in writing as a part of the contract process, to abide by the Municipality policies and procedures, and thereby avoid any conflict of interest.

4.4 Measures to prevent fraud and corruption should be continually monitored, reviewed and development particularly as new system, programs, contracting or arrangements are introduced or modified.

5 PROCEDURES FOR REPORTING FRAUDULENT AND OR CORRUPTIVE ACTIVITIES

5.3 Consistent with the Auditor General's guidelines, line managers are responsible for daily operations and for the internal control systems within their organizational responsibility. Where managers do not have the expertise to evaluate internal controls they should call upon the support from Internal Audit.

5.4 It is the responsibility of members of the public and employees (including line managers) to report all incidents and suspicions of fraud, corruption, theft, forgery, extortion or any other dishonest activities of a similar nature to the Internal Audit Unit of the Municipality.

5.5 All complaints implicating the Internal Audit Unit should be reported to the Municipal Manager/Accounting officer.

5.6 Under the Local Government: Municipal Systems Act 32 of 2000, if an MEC for COGTA has reason to believe that the municipality is failing to fulfil its' statutory obligation as a result of fraud, corruption or any other serious malpractice has occurred or is occurring in the municipality the MEC must –

- By written notice-to the municipality, request the municipal council or municipal manager to provide the MEC for COGTA with information required in the notice; or
- If the MEC for COGTA considers it necessary, designate a person or persons to investigate the matter.

5.7 The MEC for COGTA must table a report detailing the outcome of the investigation in the NW provincial legislature within 90 days from the date on which the MEC designated a person or persons to investigate the matter and must simultaneously send a copy of such report to the Minister, the Minister of Finance and the National Council of Provinces.

- 6.3 The Internal Audit Unit will investigate all complaints of fraud and corruption with the assistance of different Units/Departments and individuals. If the investigation substantiates that fraudulent and/or corrupt activities have occurred, the report will be issued to appropriate designated personnel including National Treasury and Auditor General.
- 6.4 Employees, unless they are officially involved in the investigation, should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent and/or corrupt act.
- 6.5 No person is authorised to supply any information regarding allegations or incidents of fraud or details of internal disciplinary proceedings to the media or any unauthorised parties. All media enquiries will be referred immediately to the Municipal Manager/Accounting Officer.

7 PROTECTION OF WHISTLE-BLOWERS

- 7.3 The Protection Disclosures Act, Act 26 of 2000 makes provision for procedures in terms of which employees may disclose information regarding unlawful or irregular conduct by their employers or other employees in the employ of their employers without fear of victimization.

A person shall therefore not:

- prejudice, or threaten to prejudice, the safety or career of; or
- intimidate or harass, or threaten to intimidate or harass; or
- do any act that is, or is likely to be, to the detriment of another person because the other person:-
 - (i) has assisted, is assisting or will or may in the future assist the Internal Audit Unit or any Law Enforcement Agency in the performance of its functions: or
 - (ii) has furnished, is furnishing or will or may in the future furnish information to the Internal Audit Unit or any Law Enforcement Agency; or

- (iii) has been or is, or has been or is employed by, or acting on behalf of, an independent agency or appropriate authority to whom or which and allegation has been referred; or
- (iv) has exercised a power, or performed a duty, conferred or imposed on the other person or is exercising or performing, or will or may in the future exercise or perform, any such power or duty.

7.4 All whistle-blowers' identities will remain confidential or anonymous to prevent victimization.

7.5 Any disclosure of fraudulent and/or corrupt activities made by an employee would generally be a protected disclosure in terms of the Protected Disclosure Act, Act 26 of 2000, provided that such disclosure is made:

- In good faith and without any improper motives;
- To a legal practitioner or to a person whose occupation involves the giving of legal advice;
- To the Internal Audit Unit in accordance with the prescribed procedure or procedure authorised by the Internal Audit Unit;
- To a body or body of persons prescribed by the Internal Audit Unit; or
- As a general protected disclosure.

7.6 The Protected Disclosures Act provides remedies in section 3 for any employee who suffers any occupational detriment for good faith reporting.

7.7 Action to cover up to the wrongdoing and or to retaliate against, or victimize witnesses is strictly forbidden, and such action constitutes a conduct within the jurisdiction of the Municipality, which is punishable.

7.8 All managers should discourage employees or other persons from making allegations, which are false and made with malicious intentions. Where such allegations are discovered, the person who made the allegations will be subjected to firm disciplinary, or other appropriate action.

8 CYBER FRAUD AND CORRUPTION

8.3 Any person who unlawfully and intentionally performs an act in respect of a computer system;

or a computer data storage medium, which places the person who performed the act or any other person in a position to commit an offence contemplated in subsection (2), section 3(1), 5(1) or 6(1) of the Cybercrimes Act 19 of 2020, is guilty of an offence.

8.4 Any person who unlawfully and intentionally accesses a computer system or a computer data storage medium whereby they:

- (i) use data or a computer program stored on a computer data storage medium
 - (ii) stores data or a computer program on a computer data storage medium
 - (iii) uses data or a computer program held in a computer system
 - (iv) stores data or a computer program on a computer data storage medium forming part of the computer system; or
 - (v) instructs, communicates with, or otherwise uses, the computer system;
- is guilty of an offence.

8.5 Any person who is found in possession of a password, an access code or similar data or device in regard to which there is a reasonable suspicion that such password, access code or similar data or device: was acquired; is possessed; is to be provided to another person; or was used or may be used, for purposes of aiding in corruption or fraud and who is unable to give a satisfactory exculpatory account of such possession, may be found guilty of an offence in terms of the Cybercrimes Act 19 of 2020.

9 CONFIDENTIALITY AND DISCRETION

9.1 The Office of the Internal Audit Unit will treat all information that it collects or receives in confidence except as is necessary for a thorough investigation and resolution of the complaint and/or as required by or a standard of ethical conduct.

9.2 People will be made aware of the issue and the investigation, only on a limited need-to-know basis.

9.3 In order to avoid damaging the reputations of innocent persons initially suspected of wrongful conduct, the results of investigations will not be disclosed or discussed by anyone other than those who have a legitimate need to know.

10 STAFF DEVELOPMENT AND TRAINING

10.3 It is established that in each year Municipalities are losing Millions of Rands as a result of fraud and corruption committed not only by individuals defrauding the system, but also from organized gangs operating within and outside these Municipalities. In order to deal with these challenges, continuous learning,

development and the sharing of good practice will result in highly skilled Anti-Fraud Officers working in a professional framework to the highest standards of performance and integrity.

- 10.4 Courses/Workshops on the topic of fraud corruption detection and prevention, will in each year be co-ordinated by the Internal Audit Unit to empower the Anti-Fraud Officers to be able to combat fraud and corruption
- 10.5 The training on the Code of Ethics as a preventive measure on fraud and corruption will be rolled out to the Management and employees by the Internal Audit Unit in conjunction with the Skills and Development Unit.

11 RESOLUTION OF REPORTED INCIDENTS

- 11.1 Allegations of fraud and corruption or any other dishonest activities of a similar nature that are reported by members of the public or employees will be investigated by Internal Audit Unit and/or referred to the relevant agencies, depending on the nature of the incident.
- 11.2 Members of the Forensic Investigation Department shall have free and unrestricted access to all Municipality records and premises, whether owned or rented; and the authority to examine, copy and/or remove all or any portion of the content of files, desks, cabinets, computers and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items when it is within the scope of their investigations.
- 11.3 All employees must promptly co-operate and comply with requests from the Internal Audit Unit with regards to information required to assist investigation.
- 11.4 Where an investigation has revealed that an employee has committed fraud, corruption or any other related incidents, the following may be recommended by the Internal Audit Unit:
- Taking disciplinary action;
 - Instituting recovery of financial losses;
 - Initiating criminal investigation process by reporting the matter to the appropriate law enforcement agencies;

- Identifying internal controls to be improved;
- Any other appropriate action available.

11.5 The Head of the Unit/Department, upon receiving the report from the Internal Audit Unit, shall acknowledge such and inform the Internal Audit Unit of their intentions with respect to the recommendations of the report within 21 days.

11.6 In respect of all reported incidents of fraud, corruption or any other related incidents, the managers of respective Units/Department must review and improve the effectiveness of internal controls which have been breached within a reasonable period in order to prevent similar irregularities from occurring in the future.

11.7 The Heads of Units/Department and their respective managers must ensure that losses or damages suffered by the Municipality as a result of all reported acts of fraud or corruption or any other dishonest activities of a similar nature committed by an employee or any other person in their own units/departments, are recovered from such an employee or other person if he/she is found to be liable.

12 IMPLEMENTATION OF THE POLICY

12.1. It is the responsibility of the Municipal Manager and Heads of Department (including managers at all levels) to ensure that all employees are made aware of and receive appropriate education and training on Anti-Fraud and Corruption Plan and Code of Ethics/Conducts and that such has been cascaded.

12.2 Where necessary, specialist training may be provided to managers and those staff in key positions performing higher risk functions.

12.3 Specific training will also be conducted on conflicts of interest, particularly to those officials involved in recruitment and procurement processes.

12.4 All Departmental Heads and/or Divisional Heads shall submit a compliance certificate to the Head of the Internal Audit Unit stating that the Anti-Fraud and Corruption Policy and Fraud Plan as well as training on the Code of ethics have been cascaded to all employees within their Units within a reasonable period after adoption by the Executive Council or otherwise.

~~12.5 The Internal Audit Unit, with the assistance of the Communications Units, shall be~~

responsible for communicating the relevant sections of this policy and plan thereto to the members of the public and other external stakeholders.

12.6 The Anti-Fraud and Corruption Plan is structured to address the prevention, detection, investigation as well as the resolution of fraudulent activities.

12.7 Once the Anti-Fraud and Corruption Policy and Plan are in place, a "Fraud Prevention Committee" will be established by the Municipal Manager/Accounting Officer, which will be responsible for the ongoing maintenance and review of fraud plan/strategy. The scope of the committee should include, but not limited to:

12.7.1 Evaluating reports of fraud and corruption and highlights arrears of risk within the Municipality.

12.7.2 Considering fraud and corruption threats to the Municipality and make recommendations to the appropriate structure;

12.7.3 Monitoring action taken to implement recommendations relating to incidents for fraud and corruption or other similar or related inappropriate conduct;

12.7.4 Keep Integrity Personnel Data for all disciplined employees and External Stakeholders.

12.7.5 Reviewing and making appropriate amendments to the anti-fraud and corruption policy and fraud plan should they be required and

12.7.6 Ensuring that ongoing implementation strategies are developed and carried out.

13 CONSEQUENCES FOR BREACHING THE PROVISION OF ANTI-FRAUD AND ANTI-CORRUPTION POLICY

13.1. Breach of any provisions of this policy by any municipal employee or any person having dealings with the Municipality shall amount to misconduct and shall lead to disciplinary action and laying of criminal charges with dismissal consequences.

13.2. A staff member dismissed for financial misconduct contemplated in section 171 of the Local Government: Municipal Finance Management Act, 2003, corruption

or fraud, may not be re-employed in any municipality for a period of 10 years.

- 13.3. The parent municipality of a municipal entity may remove or recall a director appointed or nominated by that municipality if the director, whilst holding office is convicted of fraud or theft or any offence involving fraudulent conduct.

14 PUBLICATION OF SANCTION

- 14.2 A brief and itemised summary of the circumstances will be published in order to send a deterrent message to other employees but the Accounting Officer/Information Officer will decide whether it is just for any information relating to corrective actions taken or sanctions imposed regarding incidences of fraud, corruption or any other dishonest activities of a similar nature, should be brought to the direct attention of any person or made public through any means.
- 14.3 All Anti-Fraud and Corruption activities, including the adoption of this policy, will be publicized to make employees and the public aware of the Council's commitment to taking action on fraud and corruption, when it occurs.

15 CONCLUSION

- 15.2 The LEKWA TEEMANE Local Municipality has a clear commitment to minimizing the possibility of fraud, corruption or any other dishonest activities of a similar nature. It pledges not only to prevent fraud and corruption or any other dishonest activities of a similar nature but to take all action necessary to identify such and pursue the recovery of losses and the punishment of those responsible
- 15.3 The Municipality's employees are expected to have the highest standards of conduct and to be vigilant in combating fraud and corruption or any other dishonest activities of a similar nature in all its guises.
- 15.4 The Municipality has embarked on implementing a clear network of systems and procedures to assist in the fight against fraud and corruption or any other dishonest activities of a similar nature. The Anti-Fraud and Corruption Prevention Plan and awareness campaigns will keep pace with any future developments, in both preventative and detection techniques regarding fraudulent or corruption

activities or any other dishonest activities of a similar nature that may affect its operations.

16. APPROVAL AND EFFECTIVE DATE OF THE POLICY

The Anti-Fraud and Corruption Policy and Fraud Plan shall come into effect immediately upon approval by the Council.

APPROVED BY COUNCIL ON.....

UNDER ITEM NO.....

MUNICIPAL MANAGER

MAYOR OBO COUNCIL