



**ANTI-FRAUD
AND ANTI-
CORRUPTION
STRATEGY
2025-2026**

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SECTION A

1. INTRODUCTION

The Anti-Fraud and Anti-Corruption Strategy is designed to align Matjhabeng Local Municipality with the responsibility of the Accounting Officer of insuring that municipality has and maintains effective, efficient and transparent system of financial and risk management and internal control, MFMA Act No 56 of 2003 section 65(c)(i).

The Strategy demonstrates the stance of the municipality in preventing and detecting fraud and corrupt activities as well as corrective action when fraud has been committed.

It is important that all employees understand and are aware of what acts are deemed corruption, fraud or maladministration, and the responsibilities for combating these in the workplace.

Employees should understand that the municipality has a zero-tolerance approach to fraud and corruption.

2. DEFINITION OF FRAUD

"Fraud and corruption" Include, but is not limited to, the following:

- (a) The following legal definitions:
 - (i) ***Fraud***, i.e. "the unlawful and intentional making of a misrepresentation resulting in actual or potential prejudice to another";
 - (ii) ***Theft***, i.e. the unlawful and intentional misappropriation of another's property or property which is in his/her lawful possession, with the intention to deprive the owner of its rights permanently";
 - (iii) Offences in respect of ***corrupt activities*** as defined in the Prevention and Combating of Corrupt Activities Act, 2004, i.e.:
 - The general offence of *corruption* which could be summarized as directly or indirectly accepting or agreeing to accept any gratification from another person; giving or agreeing to give any other person any gratification in order to influence that person directly or indirectly to exercise his powers, duties or legal obligations in a manner which is/amounts to:
 - Illegal, dishonest, unauthorized, incomplete, or biased;
 - Misuse or selling of information or material acquired;
 - Abuse of position of authority;
 - Breach of trust;
 - Violation of a legal duty or set of rules;
 - Designed to achieve an unjustified result; and
 - Any other unauthorized or improper inducement to do or not to do anything;

- Conflicts of interests and other unacceptable conduct, e.g.:
 - Acquisition of private interests in contract, agreement in or investment in public body;
 - Unacceptable conduct relating to witnesses; and
 - Intentional interference with, hindering or obstruction of investigation of offence.
 - Corrupt activities in relation to:
 - Public officials;
 - Foreign public officials;
 - Agents;
 - Judicial officers.
 - Members of the prosecuting authority;
 - Unauthorized gratification received or offered by or to a party to an employment relationship;
 - Witnesses and evidential material during certain proceedings;
 - Contracts;
 - Procuring and withdrawal of tenders;
 - Auctions;
 - Sporting events; and
 - Gambling games or games of chance;
 - Other offences relating to corrupt activities, viz:
 - Accessory to or after an offence;
 - Attempt, conspiracy and inducing another person to commit offence; and
 - Failure to report corrupt transactions.
- (b) Fraudulent and corrupt acts may include:
- (i) ***Systems issues***: where a process/system exists which is prone to abuse by
 - employees, the public or other stakeholders, e.g. :
 - Procurement fraud, e.g. irregular collusion in the awarding of tenders or orders for goods and/or services;
 - Deliberate non-compliance with delegation of authority limits;
 - Collusion in contracts management;
 - Revenue fraud;
 - Travel and subsistence fraud; and
 - Disclosing confidential or proprietary information to outside parties;

- (ii) **Financial issues:** i.e. where individuals or companies have fraudulently obtained money from the Department, e.g.:
- Syndicate fraud, e.g. interception of warrant vouchers;
 - Creditors fraud, e.g. diverting payments to incorrect creditors;
 - Suppliers submitting invalid invoices or invoicing for work not done;
 - Payroll fraud, e.g. creation of "ghost employees";
 - Theft of funds; and
 - Making a profit from insider knowledge.
- (iii) **Equipment and resource issues:** i.e. where the Department's equipment is utilized for personal benefit or stolen, e.g.:
- Theft of assets, e.g. computers, face value forms, etc.;
 - Personal use of resources, e.g. telephones, internet, e-mail; and
 - Irregular destruction, removal, or abuse of records (including intellectual property).
- (iv) **Other issues:** i.e. activities undertaken by employees of the Department, which may be against policies or fall below established ethical standards, e.g.:
- Soliciting gifts or favor's from consultants or other suppliers, e.g. acceptance of "kick-backs";
 - Pursuing private business interests without permission;
 - Nepotism; and
 - Favoritism.

3. POLICY STATEMENT

The municipality's stance is "**Zero Tolerance to Fraud and Corruption**". All allegations will be investigated, and tough action will be taken against perpetrators i.e. disciplinary steps, civil recovery of financial losses and criminal prosecution. The municipality shall publish its successes and name the perpetrators of fraud and corruption.

The municipality shall implement appropriate prevention and detection controls, which include the existing financial and other controls as prescribed in the systems, policies, procedures, rules, and regulations of the Matjhabeng Local Municipality.

4. CODE OF CONDUCT

A staff member of a municipality must at all times—

- loyally execute the lawful policies of the municipal council;
- perform the functions of office in good faith, diligently, honestly and in a transparent manner;
- act in the best interest of the municipality, in such a way that the credibility and integrity of the municipality are not compromised; and

- act impartially and treat all people, including other staff members equally without favor or prejudice.

<p>Commitment to serving the public interest</p>	<p>A staff member of a municipality is a public servant in a developmental local system, and must accordingly—</p> <ul style="list-style-type: none"> • foster a culture ‘of commitment to serving the public and a collective sense of responsibility for performance in terms of standards and ‘targets; • promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution; • obtain copies of or information about the municipality’s integrated development plan, and as far as possible within the ambit of the staff member’s job description, seek to implement the objectives set out in the integrated development plan, and achieve the performance targets set for each performance indicator; and • participate in the overall performance management system for the municipality, as well as the staff member’s individual performance appraisal and reward system, if such exists, in order to maximise the ability of the municipality as a whole to achieve its objectives and improve the quality of life of its residents.
<p>Personal gain</p>	<p>A staff member of a municipality may not—</p> <ul style="list-style-type: none"> • use the position or privileges of a staff member or confidential information obtained as a staff member for private gain or to improperly benefit another person: or • take a decision on behalf of the municipality concerning a matter in which that <ul style="list-style-type: none"> staff member or that staff member’s spouse partner or business associate, has a direct <i>or</i> indirect personal or private business interest. <p>Except with the prior consent of the council of a municipality a staff member of the municipality may not—</p> <ol style="list-style-type: none"> a) be a party to a contract for— <ol style="list-style-type: none"> (i) the provision of goods or services to the municipality; or (ii) the performance of any work for the municipality otherwise than as a staff member;

	<ul style="list-style-type: none"> b) obtain a financial interest in any business of the municipality; or c) be engaged in any business, trade or profession other than the work of the municipality.
Disclosure of benefits	<ul style="list-style-type: none"> • A staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the council. • This item does not apply to a benefit which a staff member, or a spouse, partner, business associate or close family member, has or acquires in common with all other residents of the municipality.
Unauthorized disclosure of information	<ul style="list-style-type: none"> • A staff member of a municipality may not without permission disclose any privileged or confidential information obtained as a staff member of the municipality to an unauthorized person. • For the purpose of this item “privileged or confidential information” includes any Information: <ul style="list-style-type: none"> a) determined by the municipality’s council or any structure or functionary of the municipality to be privileged or confidential; b) discussed in closed session by the council or a committee of the council; c) disclosure of which would violate a person’s right to privacy; or d) declared to be privileged, confidential or secret in terms of any law. e) This item does not derogate from a person’s right of access to information in terms of national legislation.
Undue influence	<p>A staff member of a municipality may not-</p> <ul style="list-style-type: none"> a) unduly influence or attempt to influence the council of the municipality, or structure or functionary of the council, or a council, with a view to obtaining any appointment, promotion,

	<p>privilege, advantage or benefit, or for a family member, friend or associate;</p> <p>b) mislead or attempt to mislead the council, or a structure or functionary of the council, in its consideration of any matter; or</p> <p>c) be involved in a business venture with a councilor without the prior written consent of the council of the municipality.</p>
Rewards, gifts and favors	<p>A staff member of a municipality may not request, solicit or accept any reward, gift or favor for-</p> <p>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;</p> <p>b) making a representation to the council, or any structure or functionary of the council;</p> <p>c) disclosing any privileged or confidential information; or</p> <p>d) doing or not doing anything within that staff member's powers or duties</p> <p>A staff member must without delay report to a superior official or to the speaker's Office and the council any offer which, if accepted by the staff member would constitute a breach.</p>
Council property	<p>A staff member of a municipality may not use, take, acquire, or benefit from any property or asset owned, controlled or managed by the municipality to which that staff member has no right.</p>
Payment of arrears	<p>A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months, and a municipality may deduct any outstanding amounts from a staff member's salary after this period.</p>
Participation in elections	<p>A staff member of a municipality may not participate in the election of the council of the municipality, other than in an official capacity or pursuant to any constitutional right.</p>
Sexual harassment	<p>A staff member of a municipality may not embark on any action amounting to sexual harassment.</p>

Reporting duty of staff members	Whenever a staff member of a municipality has reasonable grounds for believing that there has been a breach of this Code, the staff member must without delay report the matter to a superior officer or to the speaker of the council.
Breaches of Code	Breaches of this Code must be dealt with in terms of the disciplinary procedures of the municipality envisaged in section.

5. ROLES AND RESPONSIBILITIES

5.1 COUNCIL

- Understand fraud and corruption risks.
- Maintain oversight of the fraud risk assessment by ensuring that fraud risk has been considered as part of the municipality's risk assessment and strategic plans. This responsibility should be addressed under a periodic agenda item at council meetings when general risks to the municipality are considered.
- Monitor management's reports on fraud risks, policies, and control activities, which include obtaining assurance that the controls are effective. The council also should establish mechanisms to ensure it is receiving accurate and timely information from management, employees, internal and external auditors, and other stakeholders regarding potential fraud occurrences.
- Oversee the internal controls established by management.
- Set the appropriate tone at the top through the Municipal manager's job description, hiring, evaluation, and succession-planning processes.
- Have the ability to retain and pay outside experts where needed.

5.2 MANAGEMENT

- Setting the tone at the top for the rest of the organization. As mentioned, an organization's culture plays an important role in preventing, detecting, and deterring fraud.
- Reporting to the council on what actions have been taken to manage fraud risks and regularly reporting on the effectiveness of the fraud risk management program.
- Managers are responsible for the prevention and detection of fraud and corruption and must report all incidents and allegations to the Chief Risk Officer. The Chief Risk Officer will initiate an investigation into the matter, in consultation with senior management. When Management refers cases for investigation, they must do it in writing, including all relevant information. Where applicable, they must also include relevant documents which may support the allegation.
- Managers must ensure that risk assessments are conducted annually in their units and that agreed risk management plans are implemented.

- Managers are responsible to ensure the implementation of the approved recommendations made by auditors and Chief Risk Officer, which includes disciplinary actions, criminal and civil actions.
- In respect of all reported incidents of fraud and corruption, management is required to immediately review, and where possible, improve the effectiveness of the controls, which have been breached in order to prevent similar irregularities from taking place in future.
- Managers shall ensure that all employees attend fraud & corruption related training and that information is communicated to all employees for compliance and implementation.

5.3 EMPLOYEES

All levels of staff, including management, should:

- Have a basic understanding of fraud and be aware of the red flags.
- Understand their roles within the internal control framework. Staff members should understand how their job procedures are designed to manage fraud risks and when noncompliance may create an opportunity for fraud to occur or go undetected.
- Read and understand policies and procedures (e.g. the fraud policy, code of conduct, and whistleblower policy), as well as other operational policies and procedures, such as procurement manuals.

5.4 FORENSIC SERVICES UNIT

- Analysing and monitoring fraud and corruption risk as part of the municipality's risk assessment;
- Investigating allegations of fraud and corruption with due care and in compliance with all relevant legislation.
- Recommending and supporting disciplinary actions relating to fraud and corruption against employees;
- Referring allegations of fraud and corruption to a relevant law enforcement agency or other appropriate agencies/bodies. In this regard, the municipality will pursue a formal arrangement to ensure that the support of relevant law enforcement agencies is guaranteed;
- Initiating and supporting criminal proceedings against employees, contractors and other parties involved in fraud and corruption;
- Providing a detailed report to the management once an investigation of a matter is finalized, who will then submit the report to management; and
- Keeping a database on all investigations.

5.5 ROLE OF INTERNAL AUDIT

- Monitoring implementation of recommended control to minimize fraud and corruption;
- Evaluate the effectiveness of fraud and corruption control measures;
- Advise management on the integrity of information;

- Design additional steps in the audit programs to assist in detecting, addressing and preventing re-occurrence of similar incidents;
- Monitor implementation of recommended actions resulting from conclusions of fraud investigation;
- Highlight legislation, policies and procedures, that might have been violated as a result of the outcome of an investigation; and
- The Internal Audit shall report all identified or suspected fraud & corruption matters.

5.6 AUDIT COMMITTEE

- The Audit Committee should be composed of independent members and should have at least one financial expert, preferably with an accounting background. The committee should meet frequently enough, for long enough periods, and with sufficient preparation to adequately assess and respond to the risk of fraud, especially management fraud, because such fraud typically involves override of the organization's internal controls. It is important that the audit committee receive regular reports on the status of reported or alleged fraud.
- An Audit Committee of the municipality should maintain an active role in the oversight of the municipality's assessment of fraud risks and uses internal auditors, or other designated personnel, to monitor fraud risks.
- Audit Committee also provides the external auditors with evidence that the committee is committed to fraud risk management and will discuss with the external auditor the auditors' planned approach to fraud detection as part of the financial statement audit.
- At each Audit Committee meeting, the committee should meet separately from management with appropriate individuals, such as the chief internal audit executive and senior financial person.
- The Audit Committee should not only focus on what the auditors are doing to detect fraud, but more importantly on what management is doing to prevent fraud, where possible.
- The Audit Committee should also seek the advice of legal counsel whenever dealing with issues of allegations of fraud. Fraud allegations should be taken seriously since there may be a legal obligation to investigate and/or report them.

SECTION B

1. RISK ASSESSMENT

1.1. Risk identification and assessment

In order to identify and address risks facing MLM, risk assessments should be conducted on regular basis. The risk identification and assessment process start when officials identify the risks in their inherent nature and the current controls to mitigate identified risks. After risks and existing or current controls are identified and weighed as per their perceived control effectiveness, future actions or treatment plans need to be well-documented to further mitigate the identified risks. Critical to risk identification and assessment is the implementation of future actions, because they are aimed at improving the current internal controls.

Therefore presentations to Municipal employees should be conducted in order to ensure that they have a more detailed understanding of the fraud and corruption risks facing the municipality and the areas wherein these risks exist, by so doing the Municipality will be improving the possibilities of detecting irregularities earlier. The questionnaires on fraud and corruption may be developed to all employees for purpose of assessing fraud and corruption matters that the Municipality may be faced with.

1.2. Fraud detection reviews

The Municipality will also consider performing specific detection reviews in areas which are at high risk of unethical conduct, fraud and corruption on a regular basis. This will include awareness program's and/or presentations to employees, including managers and/or supervisors, to ensure that they have a more detailed understanding of the risks associated with these areas, thus also enhancing the prospect of detecting irregularities earlier. These include among others:

- a) Procurement of goods and services under urgent/emergency circumstances, rotation of trading partners and vetting of thereof;
- b) Travel and subsistence and the overtime claims;
- c) Conflicts of interest and private work declarations;
- d) Compliance to delegations of authority;
- e) Payroll verifications;
- f) Revenue verification of collections made on both individuals and businesses; and
- g) Internal controls to prevent abuse and misuse of Council resources e.g. vehicles of the Council.

1.3. Fraud awareness

- Fraud and corruption policy will be communicated to all employees and service providers.
- Regular education and training on fraud and corruption will be done to all employees.
- Pamphlets and newsletters will be communicated to all stakeholders.

2. FRAUD STRATEGY

2.1. Building fraud strategy

Deciding on the appropriate strategy to address fraud, the Risk Management Committee of Matjhabeng Local Municipality shall consider the context of fraud as outlined above in context example:

Incentive/Pressure

This is to a greater extent not responsive to managements interventions. Management can however through increase focus on the control environment and internal control increase the incentive/pressure threshold. Incentive/Pressure threshold is the cut-off before a person will commits fraud. Although we acknowledge that each person will have a different incentive/pressure

threshold, management can raise the average threshold of an entity by his/ her attitude and response towards the occurrence of fraud.

Opportunity

Opportunity to commit from within a municipality is under the control of management. The implementation of internal control (both detective and prevention) is one of the mechanisms available to management. Occurrence of fraud within a department should call for a redesign, or if appropriate reestablishment of related internal controls.

Attitude/Rationalism

Attitude/Rationalism is to a lesser extent under the control of management. Incorporation a ***zero percent tolerance*** attitude and culture within the municipality will act as a powerful deterrent towards fraud.

Leading by example will be one of the tools used by management to create such a culture of zero tolerance towards fraud.

2.2. Components

Components of Matjhabeng Local Municipality fraud strategy comprise of prevention, detection, investigation and response as depicted in the diagram below.



The fraud prevention is the most important component for Matjhabeng Local Municipality in dealing with fraud and corruption.

3. HOW WILL ALLEGATIONS OF FRAUD AND CORRUPTION BE DEALT WITH?

For issues raised by employees of the municipality, members of the public and or service providers, action taken will depend on the nature of the concern. The matter raised will be screened and evaluated and may subsequently be:

- Be investigated internally; or
- External investigation (be referred to a law agency).

Any fraud and corruption committed by an employee or any other person will be pursued through investigation and to the full extent of the law, including (where appropriate) consideration of the following:

- In case of employee, disciplinary action after a reasonable period of time after the incident;
- Instituting civil action to recover the loss;
- Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency;
- Any other appropriate legal remedy available.

Managers are required to ensure that losses or damages suffered by Matjhabeng Local Municipality as a result of all reported acts committed by employees, members of the public or service provider are recovered from such persons if they are found liable for such losses.

The Accounting Officer will, upon receiving a report of fraud from external person write to that person making a report:

- Acknowledging that the concern has been received;
- Indicate how they propose to deal with the matter and whether any inquiries have been undertaken;
- Give an indication as to how long he will give the final response;
- Inform them whether further investigation will take place, and if not, why not.

4. AFFIRMATION PROCESS

- Matjhabeng Local Municipality's requirement for councilors, management, employees, and contractors to acknowledge they have read, understood, and complied with the code of conduct, a fraud control policy, and other such documentation to support the municipality's fraud risk management program.
- The affirmation process may be handled electronically or via manual signature.
- The municipality will require personnel to acknowledge that they are not aware of anyone who is in violation of the policies.

- Management should establish consequences for refusal to sign-off and apply such action consistently.

5. FOCUS ON OTHER STAKEHOLDERS

The Municipality has several other stakeholders with whom it interacts. These are indicated below:

- Trading partners, e.g. suppliers, contractors and consultants;
- Trade unions;
- COGTA;
- Provincial Treasury and the District Municipality;
- SALGA; and
- General public.

All stakeholders with whom MLM interacts are expected to adhere to the principles contained in this Plan. Although MLM has limited legal rights to enforce these principles on external stakeholders, it can exercise moral persuasion to gain compliance to the principles contained in the Plan or choose not to enter into relationships with stakeholders who do not comply.

5.1 Trading partners

It is a common perception that employees face the greatest challenge to their integrity in the form of inducements to accept bribes from unethical suppliers, contractors and consultants. The following approach should be considered to deal with fraud and corruption in relation to the trading partners:

- Appropriate terms and conditions on invitations to propose for services;
- relating to the standards of business ethics expected by MLM;
- Appropriate pre-award screening of credentials supplied by trading partners;
- Provisions for the compulsory declaration of actual and/or potential conflicts of interest by both the trading partners and MLM's employees dealing with these trading partners;
- Appropriate contract terms and conditions indicating the conduct expected by MLM's representatives;
- Ongoing communication of these standards;
- Sound project management;
- Monitoring and evaluation of breaches;
- Taking sound action in the event of breaches such as:
 - Penalties and/or recovery of losses; and
 - Placing of appropriate prohibition on future contracts and cancellation of existing contracts by the trading partners.

5.2 Trade Unions

The Municipality is committed to comply with the resolutions of recognition agreements with the trade unions. However, it is also expected of trade unions representatives to comply with the principles of MLM's Plan. Trade unions should be consulted prior to the finalization of this Plan.

5.3 Department of Co-operative Governance and Traditional Affairs

The Municipality must work closely with the COGTA in implementing this Plan. Efforts will be made to ensure that aforesaid stakeholder; Provincial Treasury and the District Municipality are also made aware of the principles contained in the Plan and the conduct encouraged by MLM.

5.4 SALGA

SALGA is an organization mandated by the Constitution of the Republic of South Africa to assist in the transformation of local government in the country. SALGA plays a core role in areas related to local government transformation and as a national representative of the local government sector and its employees. The Municipality will also ensure that SALGA is made aware of the Plan and appropriately compliment it when dealing with the municipality.

5.5 The general public

The general public should be made aware of MLM's commitment to fraud and corruption prevention. The aforesaid commitment will encourage the general public through awareness programs, to report incidence of fraud and corruption affecting MLM.

6. CONFLICT OF INTEREST

The municipality will require councilors, management, employees, and contractors to self-disclose potential or actual conflicts of interest (**Declaration form**).

7. REWARDS, GIFTS AND FAVOURS

Employees must not accept gifts, rewards and favors relating to their work. All gifts more than R350 p.a. must be disclosed and recorded in the **Gift register**. Gift from service providers, suppliers and contractors must be disclosed.

8. FRAUD RISK ASSESSMENT

Annual risk assessments will be conducted on fraud and corruption.

9. PREVENTION AND DETECTION

- Code of conduct and ethics;
- Disciplinary code and procedures;

- Performing background investigations;
- Anti-fraud training and education;
- Evaluate performance and compensation of all stakeholders;
- Conduct exit interviews;
- Authority limits (delegations);
- Segregation of duties and supervision;
- Internal controls;
- Surprise audits;
- Data analysis;
- Whistle blowing;
- Identify hidden relationships among people, organizations, and events;
- Identify suspicious transactions; and
- Assess the effectiveness of internal controls.

10. ENFORCEMENT

This strategy alone cannot assist the Municipality to proactively deal with fraud and corruption activities, rather the enforcement of this strategy by all stakeholders will make it a successful Plan.

The Fraud Prevention Policy and Fraud Response Plan and the Whistle Blowing Policy will assist in the actual implementation of this strategy.

11. REPORTING CHANNELS

The reporting channels for unethical conduct, fraud and corruption impacting MLM are as follows:

- Allegations of unethical, fraud and corruption should be reported centrally with the Legal Services in the Municipality;
- Once reported with the Legal Services the matter will be elevated to the Municipal Manager;
- The process that will follow thereafter is that the matter will then be related to the manager under which the alleged employee is located by Legal Services and the Municipal Manager for proper administration;
- Should an employee or member of the public wish to make a report anonymously, such a report can be made directly with the office of the Municipal Manager in confidence; and
- The National Fraud hotline

12. WHISTLE-BLOWING POLICY

A Whistle Blowing Policy should cover the following key issues:

- The Whistle Blowing Policy stance;
- Scope, including types of irregularities to be reported;

- Where and to whom to report;
- Confidentiality of reports made;
- Assurances relating to protection from reprisals for good faith reporting;
- Undertakings to investigate all reports;
- Commitment to act promptly in instances where allegations are proven; and
- Publication of sanctions, including providing appropriate feedback to whistle blowers.

The Whistle-Blowing Policy will be communicated to all employees. Some enforcement aspects have already been included above in the section relating to discipline. Comprehensive measures to address enforcement must include the following:

- Initiation of investigations;
- Prompt disciplinary action;
- Prompt recovery of losses or civil action;
- Alternative dispute resolution, e.g. negotiations, mediation, prohibition from future contracts, cancellation of contracts and restriction from employment;
- Prosecution;
- Publication of sanctions in line with permissible legal provisions including publishing lessons learned; and
- Management and the Council should discourage employees or external persons from making allegations which are baseless and made with an intention of denting the image of other individuals. Where it is discovered that such allegations are made, appropriate action should be taken against such persons.

13. INVESTIGATION PROCESS

13.1. ASSIGNING INVESTIGATIONS

Municipal manager must approve investigations by writing an approval letter to investigate any case.

13.2. EXTERNAL ASSISTANCE FOR INVESTIGATIONS

Where expert advice is needed the municipality may appoint external service providers.

The following are the phases of an investigation process when a suspicion of fraud and corruption is reported:

13.2.1. Reporting

Management, employees and the general public can report allegations of fraud and corruption directly to the Director Strategic Support Services. Alternatively they may report cases at the National Anti- Corruption Hotline (0800 701 701).

The National Anti- Corruption Hotline managed by the Public Service Commission, will then refer the matter to the Municipal Manager who will refer it to the Director Strategic Support Services.

13.2.2. Examination

The Legal Services unit will perform a preliminary examination to determine whether the matter should be subjected to a full investigation.

Should a matter not be referred for investigation, an examination report with findings and recommendations will be submitted to Management for implementation of corrective action.

13.2.3. Investigation

The Council must approve any undertaking for investigations. Legal Services or any relevant party may perform preliminary investigations to determine if whether or not the matter should be subjected to a full investigation in consultation with the Municipal Manager and that an update on the case should be communicated to the Council.

In case the matter does not require full investigations and Council has satisfied itself on the matter, a report with recommendations should be made in writing to Management for corrective actions.

All serious and material cases regarding municipal manager will be referred to COGTA and Office of the Premier. During the investigation, the Office of the Premier and COGTA may involve other role players i.e. Consultants, SAPS, NPA and Security Services. *(Sec 57 managers will be investigated externally i.e. Office of Premier and COGTA)*

13.2.4. Consideration of findings and recommendation

After each investigation the Director Strategic Support Services will submit a detailed report with findings and recommended actions to management for consideration.

13.2.5. Action

Once management has accepted the findings and recommendation, it will be referred to the Municipal Manager and Corporate Service Department for disciplinary action and/or SAPS/NPA for criminal prosecution.

13.2.6. Monitoring and Feedback

The Chief Risk Officer will monitor progress on actions taken and provide feedback to Management, Audit Committee and Risk Management Committee.

13.2.7. Corrective action

All incident/ cases will be a red flag to strengthen/improve weak controls.

14. CONTINUOUS MONITORING

The municipality will on ongoing bases, monitor and measure implementation of fraud management to evaluate, remedy, and continuously improve the organization's fraud detection techniques. If deficiencies are found, management should ensure that improvements and corrections are made as soon as possible. Management should institute a follow-up plan to verify that corrective or remedial actions have been taken.

Municipality will ensure that a fraud and corruption system is developed for the following purposes:

- Record of all allegations;
- Tracking progress with the management of all allegations;
- To facilitate the early identification of systemic weaknesses and recurring risks, and inform managers and employees of systemic weaknesses;
- Provide feedback to whistle blowers, management, Risk Management Committee and Audit Committee on the management of allegations and investigations by Legal Services;
- The Municipal Manager must, upon receipt of alleged fraud and corruption from an external person, write to the person making the report, an estimate of how long it will take provide a final response; and
- Informing them if whether further investigations will take place, and if not, why.

15. CREATING AWARENESS

This component of the Plan comprises two areas, namely education and communication.

15.1. Education

Formal awareness presentations will be conducted Municipal employees in planned workshops. Awareness amongst employees will address the following issues:

- Application of professional ethics in their work environment;
- Employee awareness of the current systems, policies and procedures relating to fraud and corruption and their rights should they blow the whistle;
- Blow the whistle on fraud and corruption within their work environment; and
- Ensuring that employees understand specific fraud and corruption related risks to which MLM may be exposed and thus enhancing the prospect of detecting irregularities earlier.

15.2. Communication


The objective of communication is to further create awareness amongst ratepayers, employees, the public and other stakeholders, of the Plan in order to facilitate a culture where all stakeholders strive to contribute towards making it a success. This will increase the prospect of fraud and corruption being reported and improve MLM's prevention and detection ability. Communication approaches that will be considered by the Municipality are the following:

- An official launch of the Plan aimed at all stakeholders;
- Posters, newsletters and pamphlets to advertise the Codes of Conduct for staff members and Councillors, Whistle Blowing Policy and Anti-Fraud and Anti-Corruption Policy, aimed at ratepayers, public, employees, trade unions and other stakeholders;
- A suggestion box for ratepayers, public, employees, trade unions and other stakeholders to make submissions which could further enhance the Plan;
- Ensuring that ethics promotion is a fixed agenda item in meetings;
- Signing of declarations of commitment by all employees to the Plan; and
- Screensavers on computers with appropriate pro-ethics and the fraud and corruption prevention messages.
- Council vehicles should be used to reflect messages anti-fraud and anti-corruption, including the reflection of hotline number on them.

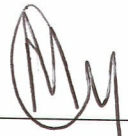
16. REVIEW OF THE STRATEGY

This Anti-Fraud and Anti-Corruption Strategy will be reviewed annually, and appropriate changes made should these be required.

Prepared by the Risk Management Unit:

Signature : 
Date : 20 May 2025

Reviewed by the Senior Manager: Administration:

Signature : 
Date : 20 May 2025

Version 4.0

Recommended by the Municipal Manager:

Signature

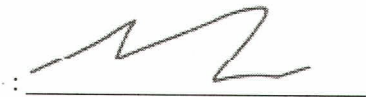


Date

: 20 May 2025

Recommended by the Risk Management Committee:

Signature



Date

: 20 May 2025

Approved by the Municipal Council:

COUNCIL RESOLUTION NUMBER: A58/2025