



# MADIBENG LOCAL MUNICIPALITY

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## ANTI FRAUD AND CORRUPTION POLICY 2020/21



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## 1. INTRODUCTION

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### 1.1 *Purpose of this policy*

The implementation of this policy is aimed at the effective management of MLM's risk of fraud, corruption and unethical conduct (collectively referred to as 'fraud') by –

- Reducing MLM's susceptibility to fraud
- Raising the level of fraud awareness amongst employees and MLM stakeholders
- Provide rules on what conduct and behaviour are inconsistent with MLM's goal to foster and maintain a culture of honesty and integrity - a key requirement in fulfilling our regulatory mandate.

The cost of fraud in MLM goes beyond financial loss. Not only are there direct financial losses to MLM, but also the indirect cost of repairing damaged reputations, restoring and maintaining confidence, mitigating compliance risks, effectively preventing litigation risk, and MLM's inability to fulfil its legislative mandate due to fraudulent behaviour.

### 1.2 *Zero-tolerance statement towards fraud and corruption*

MLM shows zero tolerance towards any fraudulent and corrupt behaviour, and all incidents and reasonable suspicions thereof, will be verified and investigated.

Appropriate legal recourse will be taken against perpetrators to the full extent of the law, including but not limited to -

- Disciplinary action
- Institution of criminal proceedings
- Recovery of losses
- Exercising contractual rights; and
- Civil litigation.



All recourse and actions will be taken within the constitutional and legal context in which MLM operates, with due regard to the principles of fairness.

### 1.3 Definitions

The use of the term 'fraud' in this policy (where appropriate), includes, but is not limited to:

- Corruption
- Misconduct with an element of dishonesty (as opposed to financial misconduct)
- Unethical behaviour
- Contravention of MLM's gift policy
- Theft, abuse and misappropriation of MLM assets
- Conflict of interests
- Forgery and Uttering
- Abuse of position
- Dishonest conduct
- Misstatement of financial transactions
- Failure to disclose interests when there is a duty to disclose
- Unauthorised extraneous employment
- Unauthorised disclosure of confidential information; and
- Abuse of confidential information.

For purposes of the application of this Policy, the term 'fraud' does not include financial misconduct as defined in the MFMA, as the prevention, detection and reaction to financial misconduct is codified in the MFMA and regulations issued in terms thereof (see inter alia sections 171 and 173 of the MFMA, and the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings).

It is however recognized that certain conduct included under the term 'fraud' above may also amount to financial misconduct. In such an instance the Municipality will ensure compliance with the legislative framework applicable to the treatment of financial misconduct.



Nothing in this Policy should be interpreted to detract from any legislative provisions applicable to the Municipality which may include an Act of Parliament, regulations, provincial legislation, provincial regulations, Codes or directives from National Treasury.

#### **1.4** *Scope of policy*

##### **1.4.1** *MLM*

This policy applies to:

- All employees (including fixed term contract employees and acting officials) in all functional areas of MLM;
- Employees / agents of third parties contracted to MLM when acting on behalf of MLM, including casual appointees, advisors and those on secondment from other organisations.

##### **1.4.2** *General*

This policy forms part of the MLM Municipal Integrity Framework which supports various other related codes of conduct, policy, rules and regulations applicable to MLM and its Municipal Entities, including but not limited to:-

- The Municipal Finance Management Act and regulations issued in terms thereof
- The Municipal Systems Act and regulations issued in terms thereof; and
- The Municipal Structures Act and regulations issued in terms thereof.

Refer to the Regulatory Landscape as per the Municipal Integrity Policy.



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## 2. PROHIBITED CONDUCT

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### 2.1 *Fraud*

#### 2.1.1 *What conduct or behaviour amounts to fraud?*

Fraud is defined as the unlawful and intentional making of a misrepresentation, or concealment of a material fact, which causes actual or potential prejudice to another.

All fraudulent conduct is strictly prohibited.

A misrepresentation is a false statement made by one person to another. The misrepresentation may take the form of words, or an act or omission or a combination of words actions and omissions.

A misrepresentation may also consist of a failure to disclose certain information in circumstances where there is a legal duty to do so.

### 2.2 *The following behaviour constitutes fraud (this list is non-exhaustive)*

- Failing to disclose a commercial interest with a supplier of MLM;
- Failing to disclose material facts when applying for employment with MLM;
- Overstating or inflating information to the detriment of MLM;
- Manipulating data on MLM systems to hide errors or gain advantages;
- Creating fictitious vendors;
- Creating ghost employees;
- Paying fake invoices;
- Forging or altering sick notes;
- Issuing false business or vehicle licenses; etc.

Fraud is dynamic in nature. Technological developments, complexity of business processes and financial structures, as well as competitive business practices has made it more difficult to detect.





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As identified above, incidents of fraud are not confined to a particular business area within MLM, but can occur across the business units.



## 2.3 Corruption

### 2.3.1 What conduct or behaviour amounts to corruption?

Corruption is the giving or accepting of any gratification as an inducement or reward for doing something one should not do, or for not doing something one should.

All corrupt conduct is strictly prohibited. The general offence of corruption is contained in section 3 of The Prevention and Combating of Corrupt Activities Act, Act 12 of 2004 (PRECCA). The Act provides that any person who gives or accepts or agrees or offers to accept and/or receive any gratification from another person in order to influence such other person in a manner that amounts to:

- The illegal or unauthorised performance of such other person's powers, duties or functions;
- An abuse of authority, a breach of trust, or the violation of a legal duty or a set of rules;
- The achievement of an unjustified result; or
- Any other unauthorised or improper inducement to do or not to do anything is guilty of the offence of Corruption.

**Inducement** includes to persuade, encourage, coerce, intimidate, threaten or causing a person to do something.

Corruption in its wider meaning, and as referred to in this document, includes any conduct or behaviour where a person accepts, agrees or offers any gratification for him/her or for another person where the purpose is to act dishonestly or illegally. Such behaviour also includes the misuse of material or information, abuse of a position of authority or a breach of trust or violation of duty.

Furthermore, section 17 of PRECCA makes it an offence for an MLM employee to acquire or hold a private interest in any contract or agreement with MLM, unless the MLM employee has declared the business or financial interest in the manner prescribed by MLM policies and procedures.



### 2.3.2 *Giving or Accepting*

It should be noted that the Prevention and Combating of Corrupt Activities Act's (PRECCA) definition of **giving and accepting** is very wide. According to PRECCA -

- Giving includes lending / granting / conferring / promising / procuring and agreement or offer; and
- Accepting includes demanding / soliciting / promising / offering / asking for / seeking / requesting / receiving and agreement or offer of the above.

Due to this wide definition, the following conduct will amount to corruption:

- Asking for, or soliciting in any way payment from an MLM client or supplier
- Offering to a colleague a portion of gratification, in exchange for his/her silence or commitment not to report his/her knowledge as prescribed by this and other MLM policies

It is important to note that irrespective of whether the other 'corrupt party' agrees to make the payment or not, or acts in the requested way in exchange for gratification, this will have no bearing on whether corruption was committed or not.

### 2.3.3 *Doing what one should not do, or not doing something that one should*

Corruption covers any dishonest or unethical behaviour or any form of misconduct (including financial misconduct as defined in the MFMA). The following non-exhaustive list of behaviours are not permitted (in exchange for gratification) -

- Exercising preferential treatment in the awarding of tenders;
- Avoiding compliance with laws and regulations;
- Failing to comply with policies, procedures and rules applicable to MLM;
- Disclosing confidential and proprietary information to outside parties;



- Making profit, directly or indirectly, through abusing one's position of trust or access to MLM systems or information;
- Failing to report knowledge or suspicion of unauthorised behaviour of a colleague, contractor, service provider or other MLM stakeholder;
- Illegally reconnecting water and electricity;
- Irregularly selling MLM property;
- Misappropriating MLM property;
- Disclosing passwords and other security measures to unauthorised persons; and
- Turning a 'blind eye' to false information or non-compliance by external parties in their official interaction with MLM.

Basically, any misconduct (the transgression of any rule applicable to MLM) amounts to *'doing what one is not supposed to do, or not doing something that one should'*.

When the misconduct is a result of **gratification**, corruption has occurred.

#### 2.3.4 Gratification

According to its definition in PRECCA, the term 'gratification' includes (but is not limited to) the following -

- Money, whether in cash or otherwise;
- Any donation, gift, loan, fee, reward, valuable security, property or interest in property of any description, whether movable or immovable, or any other similar advantage;
- The avoidance of a loss, liability, penalty, forfeiture, punishment or other disadvantage;
- Any office, status, honour, employment, contract of employment or services, any agreement to give employment or render services in any capacity and residential or holiday accommodation;
- Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- Any forbearance to demand any money or money's worth or valuable thing;



- Any other service or favour or advantage of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and includes the exercise or the forbearance from the exercise of any right or any official power or duty;
- Any right or privilege;
- Any entertainment or hospitality of any kind, in circumstances where the intended recipient is not expected to incur costs he or she would otherwise have to bear, had it not been for the offer;
- Any real or pretended aid, vote, consent, influence or abstention from voting; or
- Any valuable consideration or benefit of any kind, including any discount, commission, rebate, bonus, deduction or percentage.

#### **2.4 Confidential information**

All employees have a responsibility to protect information entrusted to them, or to which they otherwise have access to. Confidential information is defined as any information or material not generally available to the public, which is generated, collected, processed or used by MLM that relates to its operations, strategies, know-how, data of contractors which is not in the public domain, or documentation of employees.

This includes information marked as confidential, and information that is not marked as confidential which the employee otherwise knows, or should reasonably know, to be confidential.

If there is any doubt as to whether information the employee obtains, uses or processes is confidential, the employee should assume it is confidential and treat it as such, unless officially notified otherwise.

Each employee must be careful and vigilant not to disclose any confidential information to anyone outside MLM, except as authorised.



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No employee should ever use confidential information for personal gain or advantage.

When an employee leaves MLM for any reason this confidentiality obligation does not cease to exist, and he / she should return to MLM all materials and information acquired during their period of employment.



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### 3. REPORTING OF PROHIBITED CONDUCT: WHISTLE-BLOWING

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#### 3.1 *Introduction*

Whistle-blowing is about *“raising a concern about unethical or dishonest conduct within or outside an organisation, and which conduct has an impact on the organisation’s operations”*.

It is a key tool to promoting individual responsibility and organisational accountability in combating fraud as defined in this policy.

The duty to report fraud goes further than an ethical or moral obligation to do so. The legislative measures summarised below impose reporting duties, the failure of which may result in disciplinary action, criminal procedures and even imprisonment.

#### 3.2 *MLM’s Statement of Intent regarding whistle-blowing*

MLM –

- Employees who have knowledge or suspicion of prohibited conduct as defined in this policy have a duty to report that knowledge or suspicion in terms of this section of the policy
- Will conduct a prompt and thorough investigation of any alleged violation and take appropriate corrective action
- Prohibits any retaliatory action against an employee for making a report in good faith; and
- Will take appropriate action against employees who have engaged in retaliatory conduct against an employee who complies with his or her reporting duty in terms of this policy.



### 3.3 *PURPOSE of this section*

It is the intent of MLM to prescribe in this section of the policy –

- **WHAT** must be reported;
- **WHO** must report;
- **WHEN** must a report be made;
- **WHY** must a report be made; and
- **HOW** a report must be made.

The prescripts in this section of the policy comply with –

- The Protected Disclosures Act, No 26 of 2000 ('PDA')
- Prevention and Combatting of Corrupt Activities Act (PRECCA)
- King III;
- The Companies Act, No 71 of 2008; and
- The employee's common law duty to report (the 'utmost good faith' principal between employer and employee).

#### 3.3.1 *The Protected Disclosures Act (PDA)*

In its preamble, the PDA recognizes –

- That every employee has a responsibility to disclose criminal and any other irregular conduct in the workplace; and
- Every employer has a responsibility to take all necessary steps to ensure that employees who disclose such information are protected from any victimization as a result of such disclosure.

To this end, the PDA provides for mechanisms and protection of *bona fide* whistle-blowers who comply with their reporting duty.





MLM subscribes to the above referenced duty of protection and to this extent has invested in an anonymous reporting facility, enabling and empowering employees and other stakeholders (such as operators) to dispose of their reporting duties, without fearing victimisation and retribution of any kind.

This independently managed facility provides for a safe alternative to silence, and offers various reporting media. Anonymity is guaranteed, and the facility is managed in compliance with the PDA.

Information on this reporting facility / whistle blowing hotline is available on MLM website and provisions contained therein must be read in conjunction with this policy.

### *3.3.2 King III*

King III addresses an effective whistle-blowing capacity on different levels. These levels mostly relate to Ethics Management, and compliance with laws.

For instance, King III states –

- In Chapter III that Audit Committees should review the appropriateness of policies and procedures to facilitate whistle-blowing and the follow-up of information obtained
- In Chapter III that effective ethics management includes creating a safe space for reporting of any suspicions of irregular, unethical or criminal conduct; and
- In Chapter VI, that all companies must comply with the law. In this regard, section 159 of the Companies Act, No 71 of 2008 applies to MLM.

Section 159(7) of the Companies Act applies to MLM, and reads that companies must –

- Directly or indirectly establish and maintain a system to receive whistle-blower reports confidentially, and act on them; and
- Routinely publicize the availability of a whistle-blowing mechanism to stakeholders in the company, including its employees.



### 3.4 *WHAT must be reported?*

In terms of the PDA any knowledge or suspicion of **any misconduct** within MLM must be reported. The reporting of financial misconduct is regulated in the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

For this purpose, misconduct means non-compliance with any rule / policy / value applicable to MLM, the prohibited conduct referred to in this policy, and non-compliance with any laws, or the protocols and processes referred to in this policy including fraud and corruption.

### 3.5 *WHO must report, and WHY must a report be made?*

**All employees** have a **legal duty** to report any knowledge or suspicion of anything that may be prejudicial to his or her employer, to that employer.

This duty applies to all employees in South Africa, irrespective of his or her employer, and is derived from the common law right of the employer to always expect the utmost good faith from employees. The duty has also been taken up in PRECCA, which results in the fact that non-compliance with this duty may result in disciplinary action or a criminal offence.

#### 3.5.1 *The disciplinary transgression*

Failure to report any knowledge or suspicion of fraud as defined in this policy constitutes derivative misconduct, which is a dismissible transgression.

The concept of “derivative misconduct” in labour law originates from South Africa’s common law principle (applied by the Labour Court) that, in the field of industrial relations, policy considerations require more of an employee than that he or she merely remains passive with regards to unethical conduct, and that the employee’s failure to assist in an investigation may in itself justify disciplinary action.



The Labour Court now defines derivative misconduct as –

*'When an employee, in circumstances when he or she knew or could have acquired knowledge of the wrongdoing; failed without justification to disclose that knowledge to the employer, or to take reasonable steps to help the employer acquire that knowledge.'*

### 3.5.2 *The criminal offence*

For purposes of this policy, section 34 of PRECCA provides that **any person in a position of authority** who knows or ought reasonably to have known or suspect that another person has committed –

- Corruption, or
- The offences of theft and fraud involving R100 000 or more must report such knowledge or suspicion or cause same to be reported to the Directorate for Priority Crime Investigation ('DPCI' or 'Hawks').

Note the distinction between corruption and other offences - the reporting of a suspicion of corruption is **not dependent** on the amount involved (as with fraud or theft), where the reporting duty kicks in only when the amount exceeds R100 000.

For clarity- all instances of corruption must be reported.

In terms of Section 34 of PRECCA the following persons hold a **position of authority**:

- A manager, company secretary or director of a company;
- Any person appointed as a chief executive officer or equivalent officer of an agency, authority, board, commission, committee, corporation, council, department, entity, financial institution, foundation, fund, institute, service or any other institution or organization whether established by legislation, contract or any other legal means;



- 
- Any person responsible for overall management of the business of an employer;
  - Any person appointed in an acting or temporary capacity in any of the above mentioned positions.

Failure to report is a criminal offence in terms of PRECCA, punishable by imprisonment for up to 10 years.

Employees **may not** directly report a suspicion to the Hawks – the suspicion must first be reported using the reporting lines within MLM. MLM will verify the suspicion and cause the matter to be reported to the SAPS.

Employees may only report his or her suspicion to the Hawks directly if the employee can prove that MLM failed to investigate or react to his or her report.



### 3.6 WHEN must a report be made?

A report must be made when a person –

- Has **actual knowledge or a suspicion** of a reportable transgression; or
- **Should have known or suspected** misconduct.

#### 3.6.1 *Knowledge or suspicion*

These terms relate to actual knowledge or suspicion. A suspicion does not require proof. A suspicion is merely a state of conjecture or surmise where proof is lacking. Suspicion arises at or near the starting point of an investigation of which obtaining of *prima facie* proof is the end. The investigation will be conducted by MLM, on the basis of the report.

As such, an excuse for not reporting such as *'I suspected, but could not prove it, therefore I did not report my suspicion or knowledge'* will not suffice.

#### 3.6.2 *Should have known or suspected*

The words 'should have known or suspect' apply to derivative misconduct as defined above and the criminal offence of failure to report, referred to above in PRECCA. The effect of these words means that in circumstances where an employee should have known or suspect something (but still does not), the reporting duty still kicks in.



For example, the following ‘excuses’ will not suffice if no report is made –

- That an employee did not suspect or acquire the necessary knowledge, because the employee failed to properly perform his or her oversight responsibility; or
- The employee turned a blind eye.

### 3.7 *HOW must a report be made?*

A report can be made in writing or verbally.

Given the legal duty to report and the consequences of not complying with these reporting duties, it is advisable to reduce any report to writing.

There is no pre-defined format in which an employee is required to report his or her knowledge or suspicion to MLM. Merely providing the detail to either the whistle-blowing hotline or another employee at MLM will be sufficient.

It is important to divulge as much information as possible, to ensure effective verification and investigation of reports.

#### 3.7.1 *To whom must a report be made?*

Knowledge or suspicion of reportable transgressions shall be reported to those persons / entities as depicted in the Response Plan.

It should be noted that the anonymous fraud reporting facility is but one channel of communication for reporting. The safety of a whistle-blowing hotline makes it an ideal reporting channel for individuals who fear victimisation.

#### 3.7.2 *What should employees not do?*

When an employee knows or suspects a reportable transgression –



- Do not contact the suspected individual in an effort to determine facts, obtain an explanation or demand restitution;
- Do not discuss the case, facts, suspicions or allegations with anyone unless specifically asked to do so by the investigators;
- Do not attempt to personally conduct any investigations, interviews and / interrogations related to the suspected fraudulent act; and
- Do not make the report directly to the SA Police Services, Hawks or the Press.

It should be borne in mind that if a whistle-blower does not follow the prescribed reporting procedures detailed above and make a report directly to, for instance, the press or in the public domain, that whistle-blower may have forfeited the protection he or she is entitled to in the Protected Disclosures Act or the Companies Act.

### ***3.8 Fraud, Corruption and Unethical Conduct Response Plan***

#### **Introduction**

The MLM Fraud, Corruption and Ethics Response Plan (herein after referred to as the 'Response Plan'); serves to provide clarity on the processes to be followed from reporting, right through to publicising outcomes (the so-called 'cradle – to – grave') of effective reaction to fraud, corruption and unethical conduct.

Refer to the Process flow in the Integrity Policy.

The Integrity Management Committee is the owner of the Response Plan.

#### **STEP 1 RECEIVING AND RECORDING AN ALLEGATION**

##### **Input sources**

Various sources of reporting of fraud, corruption and / or unethical conduct are possible within the MLM context, and includes -

1. Customer Call Centre



2. Fraud Hotline
3. Ethics Office
4. Direct Reporting (i.e. referral by any employee)
5. Internal Audit referral
6. Governance and Compliance referral

### **Recording by forensics office**

All incidents are reported to the Enterprise Risk Management department (Ethics Unit), who are at this stage tasked with the following: -

1. Recording all incidents on a single, managed incident database.
2. Reviewing the nature of the allegation.
3. If the allegation does not relate to fraud, corruption and unethical conduct; it must be referred to the relevant department who would best resolve such matter (i.e. HR related grievance). Close out reports for such cases must be submitted by the relevant department to the Ethics Unit once finalized and to the Integrity Management Committee.
4. If the allegation relates to financial misconduct, it must be dealt with according to the protocols designed in the Municipal Regulations on Financial Misconduct and Criminal Proceedings (May 2014) – it is important to understand that where there is overlap between the regulations and this policy, the regulations shall prevail in respect of matters designated as financial misconduct matters. All such matters are reported to the Integrity Management Committee for investigation as per the process flow diagram within the Integrity Policy.
5. If the allegation does relate to fraud, corruption and unethical conduct (and not financial misconduct), the allegation will be referred to Ethics Unit for investigation.
6. Verification and investigation of all cases of fraud and corruption.
7. Reporting of all such cases and outcomes to the IMC and the Commissioner of Integrity.





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## **STEP 2 VERIFICATION / FILTER OF THE ALLEGATION**

The Ethics Unit must verify the allegation. Where the allegation has merit, step 3 must be followed.

If there is insufficient substance in support of the allegation at this point of validation (i.e. evidence contradicting the allegation substantially), the source is to be notified and provided with the reasons for not pursuing an investigation.

Notwithstanding its non-pursuance, the allegation is to remain on the fraud incident database, and reasons for the non-pursuance of the investigation noted by the ethics official. Evidence substantiating the decision not to pursue must be safeguarded.

## **STEP 3 CATEGORISATION (ID SOP)**

If there is substance to the allegation, Forensics is required to categorize the allegation into one /or more of the following categories (not an exhaustive list) -

1. Fraud
2. Corruption
3. Supply Chain Management
4. Asset theft
5. Unethical conduct

The purpose of this is to identify the type of investigation (and the standard operating procedures) that may apply. It may be more than one category. A Case register will be maintained by the Ethics Unit and a report of all allegations with merit be submitted to Council at every sitting. This will ensure that all cases of Financial misconduct filtered into this process will be tabled before Council as per the Financial Misconduct Regulations.



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#### **STEP 4 ALLOCATE RESOURCES**

Forensics through collaboration with members of the IMC, assigned by the Chairperson, is required to plan and assign resources to the team. Resourcing will depend on various criteria, including the skill set required, whether it is available in-house, the department impacted by the alleged irregularity etc.

It is important to at this stage maximize the blend of intellectual capital. A decision to outsource partially or wholly will be determined by procurement prescripts.

#### **STEP 5 PLANNING WITH RESOURCES**

The investigation team established is required to meet, plan and agree on an investigation strategy, methodology and approach. In essence, it must be determined who shall do what, when and how. Planning should be recorded in writing, with clear timelines.

The IMC will monitor all investigations and be appraised of progress.

#### **STEP 6 EXECUTE INVESTIGATION**

The investigation team must commence with the investigation in accordance with relevant regulatory and policy prescript, considering interim measures that may include urgent actions such as -

1. Suspensions – engagement with HR / ER representatives.
2. Freezing of assets and contract cancellation in consultation with Legal and the HOD of the relevant department and the Commissioner of Integrity (COI).
3. Withholding of payments in consultation with Finance, HOD and the Commissioner of Integrity.



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The investigating team must make allowance, and be able to mitigate any delays that may be experienced in respect of evidence gathering and witness availability.

Interim reporting requirements as per SOP must be adhered to and the IMC must be kept informed.



## STEP 7 REPORTING

At conclusion of the investigation, a report is to be drafted by the investigator detailing all relevant evidence, with conclusions and recommendations (template reports should be available).

The report should be according to a pre-set standard and lay-out.

The report must include recommendations (where relevant to the findings) in relation to: -

1. Criminal action (in consultation with SAPS).
2. Civil action (in consultation with Legal).
3. Disciplinary action (in consultation with ER / CSS).
4. Recovery actions (in consultation with HR and Legal).
5. Control recommendations (in consultation with the director for the department and the ERM Unit).

The report is to be provided to the Director of the department, who must agree with the recommendations pertaining to control weaknesses in his / her department. If the ERM Unit official does not agree with the recommendations pertaining to control weaknesses, the report is referred to the COI and CAE (Chief Audit Executive) for resolution. The director of the department concerned does not have the power to reject recommendations, if the COI and Chief Audit Executive accepts it.

On acceptance of the investigation report, the director is to –

1. Notify the IMC and the Accounting Officer.
2. To include a plan to mitigate and embed the recommended mitigation procedures into his or her departmental Risk Plan, for further reporting to the IMC.



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The COI is responsible to oversee / monitor the implementation of all the other recommendations, and ensure that successful implementation is publicized through appropriate communications procedures.

Disciplinary action will be referred to ER, criminal and/or recoveries are to be referred to the COI for action and monitoring. Successful action in the form of disciplinary, recovery, criminal etc. must be published and reported to the IMC and the Audit Committee.

### **Responsibility for this Plan**

The implementation and compliance with this Policy is the collective responsibility of the IMC, CAE, CRO and the Accounting Officer. The Policy and plan must be read with the MLM Forensic Investigations Methodology & Investigation Guidelines.



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## **4. GENERAL**

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### **4.1 *Policy Owner***

This policy is owned and managed by the office of the Chief Risk Officer who will address any queries that may arise about this policy, and be responsible to make any changes, amendments or updates to this policy.

The Policy must be read with the Integrity Framework

### **4.2 *Non-compliance with this policy***

Compliance with this policy is mandatory for all employees of MLM. Non-compliance and/or breach of this policy will be viewed as serious misconduct which can result in disciplinary action that may include the termination of employment or the termination of any independent contractor.

### **4.3 *Policy Review***

1.1 This policy will be reviewed as and when it is necessary.

### **4.4 *Reporting***

Every Employee has a duty to report all suspected incidents of a breach of this Policy Statement to the Office of the Chief Risk Officer. If an Employee wishes to remain anonymous, the Employee may call the Fraud Hotline on 0800 555 774. All queries can be submitted to the Ethics Office on [ethics@madibeng.gov.za](mailto:ethics@madibeng.gov.za).

