

# REWARDS, GIFTS, AND FAVOUR POLICY

2025/2026



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MUNICIPAL MANAGER

DATE: 19/06/2025

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EXECUTIVE MAYOR

DATE: 25/06/2025

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## **1. BACKGROUND**

1.1 Schedule 1 and 2 of the Municipal Systems Act No. 32 of 2000 contain the code of conduct for councillors and municipal staff members respectively.

### **SCHEDULE 1 SECTION 9 STATES:**

1. A councillor may not request, solicit or accept any reward, gift or favour for:
  - a) Voting or not voting in a particular manner on any matter before the municipal council or before a committee of which that councillor is a member;
  - b) Persuading the council or any committee in regard to the exercise of any power, function or duty;
  - c) Making a representation to the council or any committee of the council; or
  - d) Disclosing privileged or confidential information.

### **SCHEDULE 1 SECTION 8 STATES:**

1. A staff member of the municipality may not request, solicit or accept any reward or gift in favour for:
  - 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;
  - b) Making a representation to the council, or any structure or functionary of the council;
  - c) Disclosing any privileged or confidential information; or
  - d) Doing or not doing anything within that staff member's powers or duties.
2. As staff member must without delay report to superior official or to the speaker of the council any offer which, if accepted by the staff member, would constitute a breach of (1).

The code of conduct prohibits any councillor or staff member from soliciting any gift benefit or reward for example by asking or hinting or innuendo to that effect, whether directly or indirectly in the workplace or elsewhere through the agency of a colleague, friend or relative.

## **2. PURPOSE**

The purpose of this policy is to regulate the declaration of offering of business rewards, gifts and favours received by all employees of Mphashe Local Municipality, Senior Managers, Managers, Councillors and Traditional Leaders serving in the Council of the Municipality.

## **3. DEFINITIONS**

- a) Reward – Anything or item given or offered in return for the service rendered, a benefit in recognition of service, effort or achievement.
- b) Gift – Anything given voluntarily without payment in return, or any item given without any expectation of payment.
- c) Favour – Any preference given to someone in an unfair manner to show that you like or approve someone more than others.
- d) Employee – Any person under the employ of Mphashe Local Municipality
- e) Staff member - Any person under the employ of Mphashe Local Municipality
- f) Municipality- Mphashe Local Municipality
- g) Senior Managers – Mangers directly reporting to the Municipal Managers office.
- h) Municipal Manager – Accounting Officer appointed by the resolution of the Council.

## **4. APPLICATION AND SCOPE**

This policy applies to all employees of Mphashe Local Municipality, Senior Managers, Managers, Councillors and Traditional Leaders serving in the Council of the Municipality and be read concomitant with:

- a) Schedule 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and more specifically item 8 thereof;



- b) The Municipality's Supply Chain Management Policy and more specifically paragraph 4 (1), 38 (1) (b), 46 and 47 (1) (a) – (b) (i) (ii) thereof; and
- c) The Municipality's Anti-Fraud and Corruption Strategy and more specially paragraph 3.2.4.2 and 2.4 bullet 5,9 and 10 thereof.

## **5. LEGISLATIVE FRAMEWORK**

legislation applicable to the Municipality including but not limited to the following:

- a) Municipal Systems Act, 2000 (Act 32 of 2000)
- b) Municipality's Supply Chain Management Policy
- c) Municipality's Anti-Fraud and Corruption Strategy

## **6. POLICY PROCEDURE**

### **6.1 VALUE OF THE REWARDS, GIFTS AND FAVOURS**

6.2 Councillors and Employees are required to report and register rewards, gifts and favours above a prescribed value of R350.00 or which is determined by council from time to time.

6.3 The Executive Mayor or Municipal Manager shall decide whether a Councillor or an Employee may retain offering of gifts. Item received which could be clearly defined as marketing material does not constitute a gift provided it is below the value prescribed by the council from time to time.

6.4 Should the value of the marketing material mentioned in 6.2 above be uncertain or disputed, the value of the marketing material will be determined by the Executive Mayor or Municipal Manager in conjunction with the Chief Financial Officer.

## **6.5 REGISTER OF REWARDS, GIFTS AND FAVOURS**

A register will be kept and maintained in the office of the Municipal Manager and Internal Audit should review the register quarterly. A gift declaration Form (ANNEXURE A) shall be completed by councillors, Municipal Manager Senior Managers Traditional Leaders and staff members who have received a rewards, gift or favour which exceeds the approved value within thirty days from the date of receipt. Each declaration submitted will be allocated a serial number by the municipal manager for reference purposes.

## **6.6 RESPONSIBILITY OF COUNCILLORS, MUNICIPAL MANAGER, SENIOR MANAGERS, TRADITIONAL LEADERS AND STAFF MEMBERS TO DECLARE REWARDS, GIFTS AND FAVOURS**

- a) It is the responsibility of councillors and employees to declare all rewards, gifts and or favours which exceed the prescribed value or value determined by council, by completing the gift register.
- b) It is the responsibility of the Municipal Managers, Senior Managers and Traditional leaders to declare all gifts, rewards and favours which exceed the prescribed value or value determined by the council by completing the gift register.

## **6.7 AUTHORITY TO ACCEPT REWARDS, GIFTS OR FAVOURS**

### **6.7.1 Employees and Senior Managers**

The responsibility of granting authority to all employees including Senior Managers to accept rewards, gifts or favours rests with the Municipal Manager.

### **6.7.2 Councillors and Traditional Leaders**

The responsibility of granting authority to councillors and traditional leaders to accept rewards, gifts or favours rests with the Executive Mayor.

### **6.7.3 Municipal Manager**

The responsibility of granting authority to the Municipal Manager to accept gifts, favours and rewards rests on the Executive Mayor.

#### **6.7.4 Executive Mayor**

The responsibility of granting authority to Executive Mayor to accept gifts , rewards and favours rests to the Council

#### **6.8 ACCOUNTABILITY**

The Municipal Manager shall provide details of all rewards, gifts and favours received by councillors and employees senior managers and traditional leaders authorized by both the Executive Mayor and Municipal Manager to the Audit Committee and Mayoral Committee on quarterly basis.

#### **6.9 ENFORCEMENT**

Municipal Councillors, employees and traditional leaders who accept rewards, gifts or favours without declaring them in breach of the code of conduct will be dealt with in terms of the disciplinary procedures of the municipality.

### **7 EFFECTIVE**

This policy shall be effective from 01<sup>st</sup> July 2025.

### **8 REVIEWAL**

The policy shall be reviewed annually or when there is a change in legislation

