

CONSEQUENCE MANAGEMENT POLICY



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DATE: 17/06/22

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1. PREAMBLE

Mbhashe Municipality commits itself in promoting basic values and principles of good governance as enshrined in the Constitution. This policy will pro-actively optimize the effectiveness of the management system for clean audit outcome.

The Municipality Consequence Management Policy is based on:

- a. Effective municipal governance framework for the Directorates administration and
- b. Enable Departmental Managers to manage, but at the same time be more accountable.

2. PURPOSE

- To inculcate a culture of accountability and eradicating the culture of impunity in the municipality.
- Eliminate irregular expenditure, unauthorized expenditure, fruitless and wasteful expenditure, fraud and corruption in the use of the municipal assets.
- To ensure that the Council and Management has created and maintained an effective control environment in the municipality that demonstrates and stimulates the necessary respect for legislative requirement and compliance for the Mbhashe Municipality's systems and policies.
- To provide for consistency in the management of discipline in respect of transgression and contravention of the Municipal Finance Management Act 2003 (Act 56 of 2003); Public Service Act and all other applicable employment laws and prescripts like Treasury Regulations and Public Service Regulations.
- This policy obligates the Accounting Officer (Municipal Manager) to investigate any reported and suspected transgressions and misconduct by municipal employees or contract functionaries.
- The policy further obligates the Accounting Officer to take effective and appropriate disciplinary steps against any employee who:
 - i. Fails to comply with the provisions of any applicable legislation.
 - ii. Commits an act which undermines the financial management and internal control system of the municipality.
 - iii. Makes or permits an unauthorized expenditure, irregular expenditure or fruitless and wasteful expenditure.

3. DEFINITIONS

Definitions in this Policy, unless the context otherwise indicates.

Words/Terms	Definition (with examples if required)
Unionisation	The process of organizing employees into a labour union which will act as an intermediary between the employees and management
Organisational rights	They are rights regulating the relationship between employers, employees and trade unions.
Accounting Officer	Means Municipal Manager.
Disputes of interests	Involves the formulation of new rights such as higher wages.
Disputes of rights	Concerns the infringement, application of or interpretation of an existing right contained in a contract of employment.
Protest action	Is a public demonstration or organized effort to show disapproval about something, especially a municipal policy or practice
Consequence Management	Consequence Management represents the actions taken after an event to reduce or mitigate the amount of suffering and restore normality.

4. APPLICATION AND SCOPE

This policy is applicable to all employees, Councillors and Traditional Leaders of Mbhashe Municipality.

5. LEGISLATIVE FRAMEWORK

- Constitution of the Republic of South Africa of 1996
- Labour Relations Act (Act 66 of 1995) as amended by Act 6 of 2014
- Basic Conditions of Employment Act (Act 75 of 1997) as amended by Act 20 of 2013
- Employment Equity Act (Act 55 1998) as amended by Act 47 of 2013
- Promotion of Administrative Justice Act (Act 3 of 2000)
- Promotion of Access to the Information Act (Act 2 of 2000)
- Promotion of Equity and Prevention of Unfair Discrimination Act (Act 4 of 2000)
- PSCBC and GPSSBC Collective Agreements.
- Municipal Finance Management Act
- Municipal Systems Act
- Occupational Health & Safety Act (Act 181 of 1993)
- Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993)
- Protected Disclosures Act (Act 26 of 2000)
- Batho Pele Principles

6. PRINCIPLES

- **Participation**

The Council as the highest decision-making body in the municipality plays a leading role in the economy of Mbhashe Municipality.

- **Value System**

The Municipality recognizes that this Consequence Management Policy serves as a companion to the Code of Conduct.

- **Accountability**

All Directorates will be required to account to the accounting officer for non-adherence to the provisions of this policy. Non-compliance will be dealt with in terms of the Disciplinary Code and Procedures. Consequence Management is a management function.

- **Service Delivery**

Consequence Management Policy is necessary for the efficient service delivery and ensures compliance and accountability.

7. POLICY STATEMENT

The Mbhashe Municipality is committed to take steps to prevent and eliminate irregular, fruitless and wasteful expenditure, fraud and corruption in the use municipal assets.

8. ROLES AND RESPONSIBILITIES

Senior Managers, Middle Managers and those exercising delegated authority are accountable for delivering predetermined outputs in their areas and for exercising authority delegated to them in a responsible manner. Similarly, Senior Managers remain accountable for the manner in which authority is exercised by their subordinates and **MUST** be held accountable for their actions.

9. COMMUNICATION

Consequence Management Policy will be communicated throughout the Municipality using workshops and the Municipality Website.

10. MONITORING AND EVALUATION

The Department of Corporate Services will vigorously monitor the implementation of this policy and will submit annual report to the Municipal Manager: . Legal and Compliance Manager together with Labour Relations Officer when the need arises will share reports for statistical analysis report.

11. DISPUTE RESOLUTION MECHANISM

An employee, councilor or traditional leader who has a grievance or dispute within the municipality concerning unfair application of procedures as defined in this policy, shall have normal recourse to the applicable resolutions as well as any other right they have by law.

12. CONSEQUENCE MANAGEMENT PROCEDURE

- The Accounting Officer or his delegatee shall ensure that any reported or suspected acts of maladministration and financial misconduct are investigated.
- Investigation shall be transparent, fair, prompt, consistent and in accordance with relevant prescripts.
- Non-compliance with any relevant applicable legislation shall be investigated for purposes of correcting measures.
- Investigation report shall be presented to the Municipal Manager in his or her capacity as an Accounting Officer.
- Depending on the nature of the transgression, the Accounting Officer on receipt of the preliminary report may instruct the legal manager to further conduct investigation on the matter.
- Any financial misconduct that has been discovered or detected must be reported to the Accounting Officer who shall instruct relevant Department to conduct investigation. A report must be submitted to the Accounting Officer within reasonable time after the reported financial misconduct.
- Investigation with regard to acts of serious misconduct must be informed by a Council Resolution.

- The Accounting Officer is obligated to report to the Council any findings and action taken to correct the situation so as to prevent recurrence of any transgression.
- The Accounting Officer must take effective and appropriate disciplinary steps against any employee in the employ of the Municipality who contravenes or fails to comply with a provision of the MFMA or any other relevant legislation or regulation. If the alleged misconduct justifies a more serious form of disciplinary action then the Accounting Officer may initiate a disciplinary enquiry in terms of the prescribed Disciplinary Code and Procedures.
- The municipality has a zero tolerance approach in respect of all financial misconduct such as irregular expenditure, unauthorized expenditure, fruitless and wasteful expenditure, fraud and corruption, theft, and non-compliance with performance management development system.

13. RESPONSIBILITIES OF OTHER EMPLOYEES

An employee in the Municipality:

- a) Must ensure that the system of financial management and internal control established for the municipality is carried out within the area of responsibility of that employee.
- b) Is responsible for the effective, efficient, economical and transparent use of financial and other resources within that employee's area of responsibility.
- c) Must take effective and appropriate steps to prevent, within that employee's area of responsibility, any unauthorized expenditure, irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due.
- d) Must comply with the provisions of the MFMA to the extent applicable to that employee, including any delegations and instructions.
- e) Is responsible for the management, including the safeguarding of the assets and the management of the liabilities within that employee's area of responsibility.

14. QUALITY SERVICE DELIVERY

All Senior Managers are responsible for managing performance management development system and discipline in their directorates and transgressions must be dealt with fairly, promptly, consistently in accordance with relevant prescripts.

Municipal administration must be governed by the democratic values and principles enshrined in the Constitution (section 195), including the following principles:

- a) A high standard of professional ethics must be promoted and maintained.

- b) Efficient, economic and effective use of resources must be promoted.

15. REVIEW OF THE POLICY

The policy will be reviewed and amended annually

16. DATE OF EFFECT

This policy shall be effective once it is approved by the Council