



MERAUFONG ETHICS MANAGEMENT STRATEGY

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1. Introduction

In order to be a well governed municipality that fulfils its obligations and delivers services to the community, we need effective, committed leadership and a professional, competent workforce. We also have a responsibility to manage our entrusted resources responsibly and to combat all forms of fraud, corruption and misconduct.

Merafong City Local Municipality (MCLM) strongly believes that none of the above will be possible without a strong ethical culture that enables all parties to focus on the right things for the right reasons. It's commitment to ensuring customer satisfaction prompted the municipality to have this strategy in place. For this reason, the Municipality is committing to managing its ethical culture more proactively.

The Local Government Anti-Corruption Strategy of 2016 requires all municipalities to strengthen their resilience against corruption by implementing the Municipal Integrity Management Framework (MIMF). This Ethics Strategy aligns with the MIMF, but has been adapted to the Municipality's circumstances and vision.

The Strategy is in response to the regulatory requirements, the Ethics Management Maturity Assessment, an Ethics Risk Assessment as well as an Ethics Strategy workshop which was conducted

2. Regulatory Context

The following are the legislative requirements that enjoins MCLM to embrace integrity and ethical conduct in the course of its business operations and in its engagement with all stakeholders

- Constitution of the Republic of South Africa, 1996 - section 195(1)
- National Development Plan
- Local Government Municipal System Act 32 of 2000, as amended
- Local Government Municipal Finance Management Act 56 of 2003 (MFMA)
- Local Government Anti-Corruption Strategy 2016 and Municipal Integrity Management Framework
- Batho Pele Principles,
- King IV Code on Corporate Governance



3. MCLM Vision

A prosperous, sustainable and community oriented city

4. MCLM Mission

To provide quality services to our community through accountable governance

5. MCLM Values

The values of MCLM are as follows:

- Integrity
- Accountability
- Committed
- Teamwork
- Proactive
- Service excellence

MCLM will embark on the most appropriate courses of action to achieve our defined ethics objectives and realize the organization's values, vision and mission as stated above.

6. Ethics Management Strategic Objectives

Following the analysis of the results from the ethics risk survey and ethics management maturity assessment and the subsequent deliberations coming from a workshop with the MCLM Executive Management and the Ethics Management Working Team, we as MCLM believe that by focusing on the following key strategic focal areas we will improve our ethical culture and be able to manage our ethics risks more effectively.

1. Leadership commitment
2. Ethics Management Program
3. Managing ethics, fraud and corruption risks
4. Develop a competent professional and effective workforce
5. Ensure effective consequence management
6. Community /Public participation

6.1: Leadership Commitment

MCLM Leadership is committed to and believes in the value of integrity and strong ethical governance. To this extend a more visible and actively practical commitment is required to be displayed by all leaders in the organization. We therefore commit, as the leadership of the municipality, to developing a clear vision, mission and good values driven



municipality. This will ensure that this becomes embedded in our operations, policies, language and our actions. Our integrity values will be supported by our policies, and communicated to all our stakeholders in a way that conveys the importance that these values have to us.

1. Ensure the realisation of MCLM values

- a) Ensure that the **vision**, mission and values for MCLM are realised
- b) Ensure employees understand the ethics environment of the organization, the Vision, Mission and MCLM values.
- c) Ensure that organizational values of the municipality are reflected in all 'MCLM communication.

2. Display commitment to ethics

- a) An ethics pledge to be signed by the political leadership of the municipality

3. Leadership should set a strong ethical tone by practically supporting ethics initiatives in the institution.

- a) Leadership to support and provide the resources for the establishment of the Ethics Governance Structures as provided for in the Municipal Integrity Management Framework
- b) Support the development and the review of all ethics related policies
- c) Support the implementation of the Ethics Programme in totality by allocating budget and resources where required

4. Ensure governance oversight of over ethics management

- a) Council to establish a committee to exercise oversight over ethics management and monitor the implementation of the Ethics Management Strategy
- b) MM/ Exco to ensure the designation of an Ethics Champion at strategic level
Exco to nominate an ethics working group and monitor its functionality
- c) Identify and define roles and responsibilities of Implementers of integrity



6.2 The Ethics Program

A dedicated and capacitated ethics function will enable us to proactively build our ethical culture, help us to be more accountable and enhance our reputation and trust. .

We will focus on promoting integrity and ethics throughout the organization in order to build an ethical culture and support all other efforts that fight fraud and corruption including effective consequence management.

With a strong focus on risk management as part of good practice and administration this therefore extends to the need to actively manage risks and opportunities related to integrity, fraud and corruption. We believe therefore that promoting and driving ethical behaviour and anti-corruption behaviour is fundamental to building an ethical culture that frowns on misconduct, misuse of resources and disrespect and maladministration.

Effective communication will be a key driver in ensuring that the ethical culture and related policies are accessible and understood.

The ethics management program will include the following main activities:

1. Establish/Capacitate an ethics office

- a) Establish an ethics office
- b) Build capacity of the ethics office
- c) Develop an annual ethics implementation plan approved by the Accounting Officer
- d) Identify and actively manage the ethics risks and opportunities, in particular high ethical risk areas

2. Develop and Review Ethics- Related Policies

- a) Undertake a review of existing policies
- b) Have defined policies and activities that promote ethics and Anti-corruption

6.3 Manage Ethics Risks

- a) Identify and actively manage the ethics risks and opportunities, in particular high ethical risk areas. -
- b) Improve corruption and ethics risk assessment processes by regularly conducting ethics risk survey and maturity assessment to map the gaps, threats and strengths and identify mitigation measures. Ensure participation of all key stakeholders in the risk research and data collection



- c) Develop an ethics risk register
- d) Collaborate with independent external partners to conduct continuous risk surveys and maturity assessments
- e) Use collected data and information for reviewing the integrity strategy and strengthening mitigating measures.

6.4 . Develop a competent, professional and effective workforce

It is critical to have competent staff and leadership charged with the responsibility of driving integrity and anti-corruption initiatives. Regular and relevant training will be key to build and improve skills and knowledge of employees. Knowledgeable employees would become effective ambassadors of our integrity campaign. **Appoint competent staff into the organisation**

- a) Include into all MCLM job adverts our values and what we stand for
- b) Improve pre-employment screening and vetting process
- c) Include MCLM values in appointment letters

1. Ensure that our staff know our values

- a) Continuous ethics training and awareness, including training on values
- b) Induction programme for new employees
- c) Disclosure and declaration of interest where confidential information will be discussed
- d) Promote professional development of staff
- e) Encourage staff to register with professional bodies

2. Ethics Training and Awareness

- a) Arranging compulsory information training and awareness for staff within each section to ensure they fully understand ethics management and to view it as an integral part of their day-to-day work
- b) Include ethics management into the induction programme for new staff members
- c) Keeping an up to date record of who has been trained on ethics management
- d) Arrange ethics management training specific for management and councilors



6.5 Consequence Management

Strict adherence to acceptable behaviour and codes that guide our good behaviour is critical and has to be embedded across the organisation. Any behaviour contrary to these need to be dealt with swiftly and effectively by well capacitated and trained personnel using fair processes and procedures. As per the Ethics Risk Survey the following were recommended:

- Train managers on what is required in the performance and consequence management systems
 - importance of ethics and values in these processes
 - coaching for managers on how to address unprofessional conduct.
- Fairness and consistency should be part of management development and treating people fairly must be promoted.
- Leadership, including oversight structures, should be brought on board in emphasising this message.
- Communication on what the expectations are around building a professional environment within the municipality and steps which the municipality will take to address unprofessional conduct.

1. Improve the management of discipline

- a) Utilise the available disciplinary processes the municipality
- b) Equip Investigating officers and presiding officers in dealing with ethics cases
- c) Facilitate necessary training to managers on the disciplinary processes
- d) Train the chairpersons of the disciplinary process in order to resolve ethics cases

2. Ensure increased accountability

In order to ensure increased accountability, the MM as the accounting officer needs to be accountable for implementation/lack of implementation of recommended consequence management actions.

6.6. Community participation

It is critical for the MCLM stakeholders to understand where we are and where we want to go as an organization in terms of our ethics, fight against corruption and our pursuit for clean governance.



We believe that if we are to realise our integrity vision and mission, we need to have aligned values and move from the same premise with a common purpose. Understanding our challenges, risks and opportunities would require us to actively and effectively manage these matters and involve all key stakeholders.

An entity with good reputation and trusted easily attract partners to work with and get support for doing good work. Fostering good relationships and trust with external stakeholders is important and builds long-term beneficial partners that will be willing to share any good initiatives and practices with you. An open communication and transparency builds more trust and attracts positive and constructive feedback.

Support ethics awareness raising for the community

- a) Create awareness about whistle-blowing and Hotlines available and how to report effectively about corruption cases in the municipality
- b) Promote the Batho Pele Principles
- c) Educate community about the municipality's values and principles
- d) Raise awareness about the community's rights in respect of all municipality operations, responsibilities and mechanisms to report any form of misconduct

Develop Partnerships with stakeholders

- a) Develop and maintain relationships with key external stakeholders including working with The Ethics Institute, COGTA, SIU, Treasury, Office of Premier on enhancing MCLM's integrity program
- b) Develop working relationships with community based organisations , civil society, the private sector, labour unions to create awareness around MCLM's ethics program

Engagements with Stakeholders

- a) Strengthen stakeholder involvement by having regular engagements with key stakeholders on the issues of integrity
- b) Train key stakeholders on integrity and ethics matters

7. Establish Governance Structures

There is no doubt that good governance structures underpin a successful operational campaign and initiative and also sends a strong message that the entity and leadership see it as important and is prepared to allocate the required support and resources as part of integrating this aspect into the entity's governance structures and the overall strategy of the municipality. Governance structures provide good oversight and strategic guideline in helping to realise goals and objectives.



The institutionalisation of this strategy requires leadership commitment, direction and oversight. The following governance arrangements will be put in place to implement the strategy.

7.1 Roles and Responsibilities: Political Level

The municipal council must provide oversight of allegations and outcomes as set out in the MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings (2014). This is a reactive role.

It should also oversee the pro-active initiatives to build integrity in the municipality (which this strategy deals with).

Oversight Structures

The municipality has established the following committees to exercise oversight

Committee	Role
Audit Committee	The audit committee should provide an independent and objective view of the Municipality's Risk Management effectiveness;
Municipal Public Accounts Committee	MPAC of the municipality should exercise oversight over the executive functionaries of council and to ensure good governance in the municipality
Council Disciplinary Committee.	Ensure discipline where councillors transgress ethics requirements

Oversight of the integrity management programme

The **Municipal Public Accounts Committee (MPAC)** will provide strategic guidance and oversee the implementation of the municipality's integrity promotion and anti-corruption strategy.

The role of this committee includes continuously monitoring progress with the implementation of this strategy. Where there is lack of implementation there should be a response. This could include improved support and resources or holding non-performing officials accountable.



7.2 Roles and Responsibilities: Administrative Level

Municipal Manager

The Municipal Manager as the Accounting Officer of the municipality has the overall responsibility for providing provide ethical leadership in the administration of the municipality.

The MM will be assisted in the implementation of this strategy by the Ethics Champion, Ethics Working Group and Ethics Officer.

The MM should ensure that the municipality has a strong programme to promote integrity and fight corruption and will allocate sufficient resources for the implementation of the ethics management requirements.

Ethics Champion

The Chief Risk Officer is the Ethics Champion and has been assigned the responsibility to champion the ethics management initiatives of the municipality.

The Ethics Champion shall, amongst others, have the following responsibilities:

- Driving the municipality's ethics management programme and ensuring that it retains momentum;
- Advocating the interests of the ethics office;
- Ensuring the co-ordination and integration of the municipality's ethics initiative with other related initiatives (such as anti-corruption, policy development, compliance, risk management, and service delivery plans);
- Ensuring procedures are in place to investigate misconduct;
- Elevating significant ethics issues to the MM; and
- Promoting discussion of ethics issues at executive level.

Ethics Working Group/Committee -

1. Role of the Ethics Working Group/Committee

- 1.1. The role of the Working Group/Committee is to develop and coordinate the municipality's ethics management interventions, and to report progress to EXCO, Mayoral Committee and Council.

The Ethics Working Group/Committee will consist of -

- Risk Management Manager/Ethics Champion/ Chairperson,
- Executive Director: Corporate Services



- IDP/PMS/IGR
- Legal and Secretariat
- Labour Relations
- Marketing and Communication/ Customer Care
- The Office of the Speaker.

The Ethics Working Group/Committee shall, amongst others, have the following responsibilities:

- Overseeing organisational values and ensuring that these are consistently applied – including ensuring that decisions and actions are substantively in line with the spirit of the ethics standards and policies;
- Providing strategic advice to leadership on ethical issues;
- Ensuring that ethics risks are assessed and an ethics risk profile is compiled;
- Approving a plan for the management of ethics
- Ensuring that the Code of Conduct, values and relevant policies are developed and / revised to address the ethics risks'
- Ensuring integration and collaboration of various ethics-related functions (such as anti-fraud and anti-corruption, investigations, human resources, etc.)
- Ensuring that identification, recording and effective management of conflict of interest situation takes place within the department,
- Monitoring and reporting on ethics performance.

Ethics Officer

The municipality has established an Ethics Office which will be located with the risk management unit of MCLM. The Ethics Officer shall, amongst others, have the following responsibilities:

- Promoting integrity and ethical behaviour in the municipality;
- Advising employees on ethical matters;
- Ensuring organisational policies, procedures and practices align with and support the Integrity Strategy;
- Identifying and reporting unethical behaviour and corrupt activities to the MM
- Managing conflicts of interest, including:
 - o Financial disclosures of employees;
 - o Application for remunerative work outside the public service; and
 - o Departmental gift registers.
- Keeping adequate record of conflict of interest management processes, from identification through to effective resolution of the conflicts;



- Developing and implement awareness programmes to educate officials on ethics, good governance and anti-corruption measures; and
- Keeping a register of all employees under investigation and those disciplined for unethical conduct.

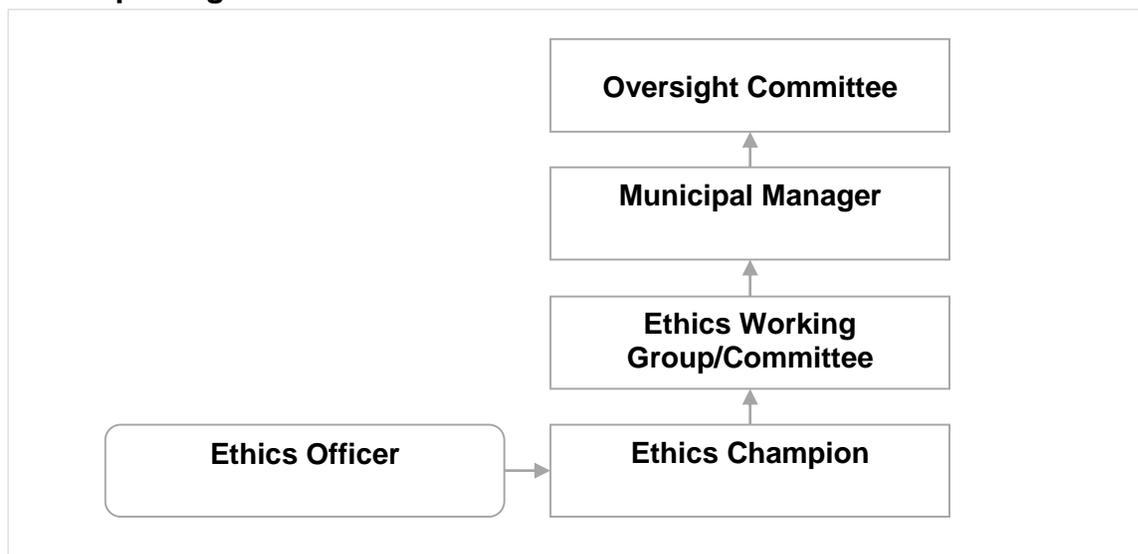
Other units / functions

All other units/functions are responsible for integrating Ethics Management into their day to day activities to enhance the achievement of their departmental objectives.

Responsibilities include:

- Managing ethics process within their area of their responsibilities;
- Participate in ethics risk identification and assessment activities within their area of responsibilities
- Implementing the delegated action plans to manage the identified ethics risks;
- Informing their supervisors and/ or the Chief Risk Officer/Ethics Champion of the new ethics risks and significant changes in known risks;
- Cooperating with other role players in the ethics Management process and providing information as required.

8. Reporting lines



- The Ethics Officer must make regular reports on progress with implementation to the Ethics Champion
- Other implementers must submit their progress to the Ethics Officer to facilitate combined reporting.



- The Ethics Working Group/Committee will keep the Risk Management Committee informed of the ethics performance of the municipality and will formally report to the MM through the Ethics Champion.
- The Ethics Working Group/Committee will also prepare the report on the Municipality's ethics performance to the relevant portfolio committee. This submission must be included in the Municipality's annual report submission.

9. Implementers

Responsibilities for the implementation of this strategy are included in the attached implementation plan and include the following:

- a) The Accounting Officer and Executive Management – actively set tone and provide required resources
- b) Ethics Working Group/Committee steered by the Ethics Champion – supports strategy implementation
- c) Ethics Officer - provides executive leadership of the Ethics Unit.
- d) Sectional Managers – operationalise and ensure institutionalisation of ethics management across the organisation.
- e) Gauteng Province, Office of Premier, COGTA and other External Partners – provides strategic external support, resources and oversight role to ethics work and management.
- f) Internal Audit – review whether proper controls are in place and adequate; and whether implementation of the Ethics program is conducted as per the Ethics framework.
- g) Performance Management Unit – ensures there is optimal performance and reporting by the Ethics unit.

10. Implementation

There will be an annual implementation plan developed which sets out how this strategy will be implemented.



11. Review

This strategy will be reviewed every three years or as and when there are changes in legislation or circumstances to reflect the current position of ethics management in the Municipality.

12. Approval

ACTING MUNICIPAL MANAGER

SL MDLETSHE

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Signature _____

Date 04 August 2021 _____

EXECUTIVE MAYOR

MG SELLO

A handwritten signature in black ink, appearing to be 'MG SELLO', written over a horizontal line.

Signature _____

Date 04 August 2021 _____