

# OVERSTRAND MUNICIPALITY



## GIFT POLICY FOR OFFICIALS

June 2011

# GIFT POLICY FOR OFFICIALS

## 1. INTRODUCTION

The purpose of this policy is to regulate the declaration of offering of business courtesies and gifts received by employees of the Municipality of Overstrand [the Municipality].

This policy applies to all employees of the Municipality and must be read concomitant with

- Schedule 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) [Systems Act] and more specifically item 8 thereof;
- the Municipality's Supply Chain Management Policy [the Policy] and more specifically paragraph 47 thereof; and
- the Municipality's Fraud Prevention Plan [the Plan] and more specifically paragraphs 1.1 to 1.5 thereof.

## 2. BACKGROUND

2.1 Schedule 2 of the Systems Act addresses rewards, gifts and favours to municipal officials.

2.2 Item 8 of Schedule 2 of the act reads as follows:

***“8. Rewards, gifts and favours.—(1) A staff member of a municipality may not request, solicit or accept any reward, gift or 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) *A staff member must without delay report to a superior official or to the speaker of the council any offer which, if accepted by the staff member, would constitute a breach of subitem (1)."*

2.3 The Municipality's Policy addresses inducements, rewards, gifts and favours to municipal officials and other role players.

2.4 Paragraph 47 of the Policy reads as follows:

***"47. Inducements, rewards, gifts and favours to municipal officials and other role players***

*1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –*

*a) any inducement or reward to the Municipality for or in connection with the award of a contract; or*

*b) any reward, gift, favour or hospitality to –*

*i) any official; or*

*ii) any other role player involved in the implementation of this Policy.*

*2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.*

*3) Subparagraph (1) does not apply to gifts less than R350 in value." \_*

2.5 Paragraphs 1.1 to 1.5 of the Plan reads as follows:

*"1.1 Overstrand subscribes to the principles of good corporate governance, which requires the conducting business in an honest and transparent fashion.*

1.2 *Consequently Overstrand is committed to fighting fraudulent behaviour at all levels within the organisation.*

1.3 *The Plan is based on the organisations core ethical values driving the business of Overstrand, the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing the organisation. This means that in practice all municipalities, departments and other business units of Overstrand and even external stakeholders must be guided by the Plan as the point of reference for their conduct in relation to Overstrand.*

1.4 *In addition to promoting ethical conduct within Overstrand, the Plan is also intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption.*

1.5 *This dynamic document details the steps, which have been, and will continually be taken by Overstrand to promote ethical conduct and redress fraud and corruption.”*

2.6 Paragraph 3.1.3 of the Plan reads as follows:

*“A gifts policy should be implemented in order to ensure that both the acceptance and offering of business courtesies, including gifts, by all employees of Overstrand occurs only within the ethical standards as prescribed by Overstrand.”*Amended??

3. When regard is had to the aforementioned paragraphs and for the sake of good corporate governance and to protect officials, all officials are required to, other than those inducements, rewards, gifts and favours prohibited and mentioned in paragraphs 2.2 and 2.4 above, declare offering of business courtesies and gifts they have received.

4.

The Municipal Manager (or his nominee) shall decide whether an employee may retain offering of business courtesies or gifts. Items received which could be clearly defined as marketing material does not constitute a gift provided it is below the value of R350.

5. Should the value of the marketing material mentioned in paragraph 4 above be uncertain or disputed, the value of the marketing material will be determined by the Municipal Manager in conjunction with the Director: Finance.

6. Officials must report offering of business courtesies or gifts received by completing and submitting the attached report (Annexure A) to his/her Director. The declaration of offering of business courtesies or gifts received must contain a description of the offering or gift, the estimated value of the offering or gift as well as the source of the offering or gift. Directors must report such offerings or gifts received in the prescribed format (Annexure A) to the Municipal Manager or his/her nominee. The Municipal Manager must report offerings or gifts received by him/her to the Executive Mayor.
7. Each Director will keep a register of all offering of business courtesies or gifts received within his/her Directorate and will be responsible to report and submit such register quarterly to the Manager: Internal Audit for submission to the Audit Committee.
8. The Senior Manager: Human Resources is responsible for the communication of this policy to officials.
9. The Senior Manager: Human Resources is responsible to ensure that this policy is included in induction sessions for new appointees.

(Annexure A –next page)

<b>Policy Section</b>	Human Resources
<b>Current update</b>	N/A
<b>Previous review</b>	N/A
<b>Approval by Council</b>	28 June 2011

VERKLARING VAN GESKENK(E) ONTVANG / DECLARATION OF GIFT(S) RECEIVED

DEEL 1 /  
PART 1 :

Hiermee verklaar ek, \_\_\_\_\_, (Naam en van) dat ek die volgende geskenk(e) ontvang en aanvaar het met dien verstande dat dit ten volle strook met die Munisipaliteit se Geskenkbeleid.

I, \_\_\_\_\_, (Name and surname) hereby declare that I have received the following gift(s) which has/have been accepted by me on the understanding that it is in full compliance with the Municipality's Gift Policy:

Beskrywing van geskenk / Description of gift	Randwaarde van geskenk / Rand value of gift	Bron van geskenk (Persoon en Maatskappy/Instelling) / Source of gift (Person and Company/Institution)	Verhouding / Relationship	Datum ontvang / Date received
Handtekening / Signature			Datum / Date:	
Departement / Department:			Personeelnr. / Staff no:	

**Nota:** Personeel lê verklaring voor aan Direkteure / Direkteure lê voor aan Munisipale Bestuurder / Munisipale Bestuurder lê voor aan Uitvoerende Burgemeester.

**Note:** Officials submit declaration to Directors / Directors submit to Municipal Manager / Municipal Manager submits to Executive Mayor.

DEEL 2

(OPMERKINGS DEUR DIREKTEUR/MUNISIPALE BESTUURDER/  
UITVOERENDE BURGEMEESTER )

PART 2

(COMMENTS BY DIRECTOR/MUNICIPAL MANAGER/ EXECUTIVE MAYOR)


**BESLUIT** (Merk toepaslike blokkie met 'n 'X') /  
**RESOLVED** (Mark applicable block with an 'X') :

Dat die personeellid die geskenk mag hou / That the employee may retain the gift.		Dat die personeellid die geskenk moet teruggee / That the employee must return the gift.	
Dat die aangeleentheid rapporteer word aan Nasionale Tesourie / That the matter be reported to National Treasury		Dat die aangeleentheid nie aan Nasionale Tesourie gerapporteer word nie/ That the matter not be reported to National Treasury	
Handtekening / Signature:			Datum / Date:

