



DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

Gift Policy

A city of excellence

Table of Contents

1. Definitions.....	3
2. Introduction	3
3. Scope of this policy	4
4. Legislative framework	4
5. Principles	5
6. Execution of this Policy.....	6
7. Valuation of gifts.....	7
8. Declaration and recording of gifts.....	7
9. Reporting requirements for gift registers	7
10. Communication and circulation of this Policy	8
11. Short title.....	8

1. Definitions

Benefit: Includes any tangible or intangible advantages or profits gained, such as tickets to sporting, theatrical or other events, invitations to lunches, dinners, promotions or travel.

Corruption: The abuse of a position of employment by the offering or acceptance of a benefit that is not legally due, for the commission of an act in connection with that position of employment, as defined in the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.

Employee: Includes permanent employees, temporary employees, contract employees, fixed term contract employees of the municipality.

Employee's Family: Includes the employee's spouse or life partner, sibling, parent, parents-in-law, grandparent, child, grandchild, adoptive parent and adoptive child.

Gift: Includes the receipt of physical offerings, rewards, hospitality (including breakfasts, lunches, dinners), money, sponsorships, and commissions or any other benefit or gratification that is received by an employee in his or her official capacity but does not include:

- The Municipality's own branded goods or items;
- Official sponsored functions, promotions or hospitality events of the Municipality; and
- Official donations made on behalf of the Municipality.

Gratification: means gratification as defined under Section 1 of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No 12 of 2004).

The Municipality: Drakenstein Municipality.

Supplier: Includes existing and potential vendors, contractors, sourcing partners, service providers, distributors, and consultants who supply goods or services to the municipality, as well as any other third parties who may in future become suppliers or vendors of goods or services to the municipality.

2. Introduction

The Municipality subscribes to the principles of good corporate governance, which requires conducting business in an honest and transparent manner. The Municipality is also committed in fighting fraudulent behaviour at all levels within the organization. Taking the aforesaid into account, it is of critical importance that all employees of the Municipality be informed of its position on the acceptance and offering of business courtesies, including gifts and rewards and that such business courtesy occurs within ethical standards as prescribed in legislation.

3. Scope of this policy

This Policy applies to all employees of the Municipality.

4. Legislative framework

4.1 The purpose of this Policy is to regulate the declaration of offering of business courtesies and gifts received by employees of the Municipality. This Policy applies to all employees of the Municipality and must be read together with:

4.1.1 Schedule 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (Systems Act) and more specifically item 8 thereof which states that:

(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 power or duties.

(2) A staff member must without delay report to a superior or to the speaker of the council any offer which, if accepted by the staff member would constitute a breach of sub-item (1).

4.1.2. The Municipality's Supply Chain Management Policy (the SCM Policy) and more specifically paragraph 47 thereof which states that;

47(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 Drakenstein 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 R 350 in value.

4.1.3 the Municipality's Fraud Prevention Policy and more specifically paragraph 4 which states that:

4.1.3.1 The Municipality's policy to fraud is zero tolerance.

4.1.3.2 All fraud, corruption, theft, maladministration or any other dishonest activities of a similar nature will be investigated and followed up by applying the appropriate remedies and the full extent of the law. Appropriate prevention and detection controls must be developed and enforced. These include the existing financial and other controls and checking mechanisms as prescribed.

4.1.3.3 This policy applies to all allegations, attempts and incidents of fraud impacting or having the potential to impact on the Municipality.

4.1.3.4 The attempted fraud is treated as seriously as the accomplished fraud.

5. Principles

5.1 It is often standard business practice within the private sector to offer gifts and hospitality to current and potentially future clients. The acceptance of such gifts and hospitality may be accepted under certain conditions.

5.2 Any acceptance of an offer of a bribe or a commission must however be viewed as illegal and may result in disciplinary and criminal action.

5.3 Employees must take great care not to be placed in a situation where their actions might be construed to be improper, may indicate bias towards an organisation or person, or indicate favouritism towards any organisation or person.

5.4 The acceptance of gifts or hospitality by employees should be the exception and not the rule. If doubt exists about the propriety of the gift or hospitality, then it must be refused by the employee.

- 5.5 The basis for remuneration of employees is their salaries and any allowances to which they might be entitled. This must not be supplemented by the acceptance of gifts or hospitality for the work that they perform.
- 5.6 Under no circumstances should an employee of the Municipality attempt to solicit a gift from a supplier.
- 5.7 An employee may receive a gift to the value of R 350 (incl VAT) per supplier per occasion. Any gifts in excess of this provision must be refused by the employee and not authorised by the respective authority. Gifts may only be retained by an employee after the delegated authority has authorised the acceptance thereof.
- 5.8 In the event where a gift is received from a supplier which aims to benefit a number of employees, the value of the gift may be divided between the number of employees who benefits, subject to paragraph 5.7 of this Policy.

6. Execution of this Policy

- 6.1 The power of authority from granting permission vested in the City Manager with regards to the acceptance of gifts is delegated to the Executive Directors, Senior Managers and Managers of the employee concerned in respect of the following subject to paragraph 5.7 of this Policy:
- 6.1.1 Invitations to business meals, provided it is done in a circumspect and responsible manner;
- 6.1.2 Articles which displays the supplier's name, trade mark or logo and which are presented for advertising purposes. The acceptance of any articles on which supplier's name, trade mark or logo do not appear is also subject hereto;
- 6.1.3 Invitations to sports meetings and sports events; and
- 6.1.4 Tokens of appreciation for public appearances by an employee. In such circumstances, the gifts may be accepted and if possible, put on display at the workplace.
- 6.2 Gifts (e.g. awards) received on behalf of the Municipality is excluded from this Policy. Any invitation to an occasion in an employee's official capacity may be accepted, but needs to be recorded in a separate register after approval by the City Manager. Invitations received by the City Manager must be recorded in the same register as stated above which must be approved by the Executive Mayor.
- 6.3 Permission to accept gifts other than those contemplated under paragraph 6.1 of this Policy, must be obtained from the City Manager, subject to paragraph 5.7 of this Policy.

7. Valuation of gifts

- 7.1 Gifts must recorded at a market related value.
- 7.2 Should there be uncertainty with regards to the value of the gift, a value will be determined by the respective department's Executive Director and the Chief Financial Officer.

8. Declaration and recording of gifts

- 8.1 All employees, below the level of Executive Director, are required to declare the receipt of gifts in the gift register, held by the respective Executive Directors.
- 8.2 The City Manager, the relevant Executive Director_or senior manager / manager reporting directly to an executive director, shall decide whether an employee may retain a gift or not subject to paragraph 6.1.
- 8.3 The format of the gift register will be determined by the Manager: Supply Chain Management.
- 8.4 Employees reporting directly to Executive Director that is offered a gift must obtain their respective Executive Director's approval of acceptance for the gift.
- 8.5 Executive Directors that receive a gift must obtain the City Manager's approval for acceptance of the gift.
- 8.6 The City Manager that receive a gift must obtain the Executive Mayor's approval for acceptance of the gift.
- 8.7 Employees must promptly record gifts in the gift register.
- 8.8 The authority who approved or rejected the acceptance of a gift, must ensure that the gift register is properly completed.
- 8.9 An employee that received a gift cannot approve the retention of that gift.

9. Reporting requirements for gift registers

- 9.1 Gift registers held by the respective departments must be submitted to the office of the Manager: Supply Chain Management on at least a bi-annual basis.
- 9.2 The office of the Manager: Supply Chain Management will be responsible for collating all declarations made for audit purposes.

10. Communication and circulation of this Policy

10.1 The Chief Financial Officer is responsible for the communication of this Policy to all employees of the Municipality and must ensure that the content hereof is included in induction sessions for new appointees.

11. Short title

11.1 This Policy is called the Drakenstein Municipality Gift Policy.