WEST RAND DISTRICT MUNICIPALITY

Ethics Management Strategy

Date presented to the EXCO	6/12/2022
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ACRONYMS

AC – Audit Committee

CFO – Chief Financial Officer

CoC Com – Code of Conduct Committee

ED –Executive Directors

EMMA – Ethics Management Maturity Assessment

EMS - Ethics Management Strategy

ERA – Ethics Risk Assessment

GRC – Governance, Risk and Compliance

IDP – Integrated Development Plan

MFMA – Municipal Finance Management Act

MM – Municipal Manager

MPAC – Municipal Performance Accounts Committee

MSA – Municipal Systems Act

PAC – Performance Audit Committee

Petition Com – Petition Committee

Rules Com - Rules Committee

RMC – Risk Management Committee

SCM – Supply Chain Management

EXCO – Executive Committee

WRDM - West Rand District Municipality

DEFINITIONS

Ethics – The term "ethics" refers to standards of conduct, which indicate how a person should behave based on moral duties and virtues arising from the principles of right and wrong. **Ethics concerns itself with what is good or right in human interaction.** Ethics therefore involve two aspects: (1) the ability to distinguish right from wrong; and (2) the commitment to do good and what is right.

Ethics management – this an important dimension of a broader organisational approach to governing ethics, with a view to establish, over time, a sustainable ethical organisational culture.

Values – refers to beliefs of a person or social group in which they have an emotional investment either for or against something.

Integrity – refers to the quality or state of being of sound moral principle, uprightness, honesty and sincerity.

Fraud – involves actions or behaviour by an individual, other person or entity that manipulate others or systems into providing a benefit that would normally accrue to the public servant, other person or entity.

Corruption – the Prevention and Combating of Corrupt Activities Act, Act 12 of 2004, provide a very specific legal definition summarised as follows: Corruption is where someone (A) gives or offers to give someone (B) in a position of power something to use that power, illegally and unfairly, to the advantage of A or anyone else. The person offering to give or do something is always guilty of corruption and both parties (A and B) will be guilty of corruption if the offer is accepted.

Misconduct – is a legal term meaning wrongful, improper, or unlawful conduct motivated by premeditated or intentional purpose or by obstinate indifference to the consequences of one's act.

Risk – refers to an unwanted or potential outcome to municipal service delivery and other performance objectives, caused by presence of risk factor(s).

Risk Management – is a systematic and formalised process instituted by the municipality to identify, assess, manage and monitor risks. Risk Management is proactive rather than reactive.

ETHICS MANAGEMENT STRATEGY

1. PURPOSE

The main purpose of the ethics management strategy is to set out the steps the West Rand District Municipality (WRDM) is going to take to establish an ethical culture, while at the same time combating corruption and other forms of unethical conduct and practices. The strategy generally has a 5-year horizon.

2. INTRODUCTION

Ethics is essential in determining the success or failure of the organization. In order to be a well governed municipality that fulfils its obligations and delivers value to our communities and stakeholders, 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.

We strongly believe 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.

For this reason, the WRDM is committing to promote an ethical culture and the municipality has since developed Ethics Management Strategy which also respond to the findings of the comprehensive Ethics Risk Assessment that was conducted for the municipality during May 2023.

3. VISION

Integrating District Governance to achieve a better life for all

4. MISSION

To provide an integrated and excellent developmental district governance system in the West Rand

5. VALUES

Service excellence;
Pride;
Integrity;
Responsibility;
Transparency;
Accountability;
Innovation; and
Teamwork

6. STRATEGIC OBJECTIVES

To achieve our Integrity Vision, we commit to dedicate our efforts to pursue the following strategic focus areas as identified during the Integrity Strategy Workshop:

The West Rand District Municipality conducted ethics management maturity assessment followed by ethics risk assessment, which identified four (4) strategic objectives to address ethical gaps or risks. The aim is to develop a strategy that seek to instil and embed ethical culture within WRDM. The following are the (4) key strategic objectives were then identified:

- **Leadership behaviour and commitment**
- **Develop a competent, professional, and ethical work-force (Human Resource)**
- **Ethics Program**
- **Address gaps of consequence management (draft consequence management strategy)**

6.1. Leadership behaviour and Commitment

West Rand District Municipality ethical values and standards need to be clearly defined through policies, procedures and other applicable legislation acts, which advocate the desired behavioural parameters and translated into acceptable and unacceptable behaviour in the WRDM code of conduct and supporting legislation.

The leadership should effectively set and establish the ethical standard of the organisation by the values they demonstrate, what they say and what they do. Management is actively involved in the ethics management stewardship this is demonstrated by the composition of the Ethics Management Committee which will be made up of officials from the management team.

6.2 Develop a competent, professional, and ethical work-force (Human Resource)

Ensure that ethics is governed at a strategic (oversight) level and managed at an operational level. Consistent and fair handling of unethical behaviour.

The ethics management programme of the WRDM is aimed at ensuring that the municipality recruits and retains personnel who are honest, ethical, transparent and loyal. Prior to recruiting employees, a vetting process shall be conducted. The vetting shall be aimed at the different skills and departments involved in Council business.

Exit interviews to be conducted as a way of gathering intelligence and knowledge about areas of improvement and identification of weaknesses. At recruitment phase, new recruits shall be suitably qualified and competent.

6.3. Ethics Programme

As part of the Ethics Management program, relevant ethics policies play a key role in the management of ethics, these policies aimed at improving conduct and establishment of good ethical culture. The municipality has existing policies, which requires revision as and when to keep abreast with current developments and legislative requirements.

The following policies are in existence, fraud prevention policy and gift management policy and policies that requires to be drafted are as follows, whistle-blowing policy, conflict of interest policy, and the Anti-fraud and corruption prevention strategy/plan.
These policies will be institutionalised by continuously conducting education and awareness where officials will be exposed to these policies.

6.4 Consequence Management

In order to instil a culture of responsible officials that discharge their duties, the West Rand District Municipality subscribes to instituting consequence management actions, for various occurrences of misconduct committed by officials. This will serve as a deterrence tool to the officials that are tempted to commit misconduct.

Consequence management is not only used as a tool to reprimand employees, rather used as an additional tool to augment issues such as lack of skills and training to enable officials to conduct their duties optimally.

Conformity and compliance with rules, procedures and regulations to be put into effect by applying consequence management strategy. The consequence management guidelines from the MFMA, Municipal Systems Act, SCM policies to be implemented by bodies such as the Disciplinary Board (DB) and the Internal Disciplinary unit.

7.   UNPACKING OF THE STRATEGY

7.1   Leadership Commitment

Actions:

i. **Clearly define our values**

- Revive current municipal values for the West Rand District Municipality
- The clear value statement will be developed and aligned with all relevant policies and guidelines of the municipality.

ii. Ensure that we enhance WRDM ethics and anti-corruption program

- Develop code of ethics policy
- Develop conflict of interest policy
- Develop the gift and rewards policy
- Develop the Whistle Blowing Policy
- Develop anti-fraud and corruption strategy/plan
- Review fraud prevention policy
- Enhance systems of accountability

iii. Communicate the ethics strategy

- Once the strategy has been adopted by Council, various media platforms will be used to communicate the strategy.

iv. Create ethics, anti-fraud and corruption awareness
- Create platforms for discussions on ethics and the Municipality's values.
- Various media platforms, will be used to communicate the strategy

v. Ensure governance oversight of the implementation of the ethics strategy.
- The WRDM ethics management strategy to be incorporated in the IDP
- Ethics committee will report to the Risk Management committee
- Risk Management committee will report to the Audit committee

7.2. Ethics program

Actions:
i. Develop ethics program
- Development of comprehensive ethics program for the municipality.

ii. Institutionalisation of ethical culture
- Identification and training of ethics ambassadors/champions
- Building capacity through train the trainers program
- Training and awareness for all SCM staff on ethics, fraud and corruption.

iii. Acknowledge when employees live our values
- Develop a good conduct acknowledgement initiative

v. Create a network of ethics ambassadors
- Identify and capacitate ethics ambassadors in the organisation

7.3. Develop a competent, professional, and ethical work-force (People-Human Resource)

Actions

i. Review recruitment and selection –strategic response (what we bring into the barrel)

- Engage the Municipality's Human Resource Management to review current policies related to permanent and contract employees
- Ensure that pre-screening is conducted for all new recruits before they are appointed
- Ensure that people who conduct recruitment and selection processes are people of integrity with no track record of bias.

ii. Professionalisation –register with professional bodies

- Encourage employees of the Municipality to register and affiliate with professional bodies to ensure that standards are consistent throughout the administration
- Support employees that want to register and affiliate with professional bodies
- Encourage employees registered and affiliated with professional bodies to attend Seminars and Conferences in the field of their interest.

iii. Promote employee growth and development as well as career progression

- Support employees that want to or are furthering their education with institutions of higher learning
- Ensure that the placement system of the Municipality is consistent throughout the administration for employees that want to advance their career opportunities

vi. Reward good behaviour/focus on encouraging good behaviour

- Introduce new or make use of current employee reward systems available to the Municipality to encourage good behaviour.

7.4 Consequence management

Actions

i. Broader understanding of the consequence management strategy is required to better identify issues and ensure appropriate response thereof.

- Ensure that consequence management strategy is consistent with the prescript of the law and applied consistently throughout the administration
- Ensure that the consequence management applied is equal to the transgression and that it is progressive rather than regressive
- Ensure that the whistle blowing mechanism is supported to protect whistle blowers, specifically those that want to remain anonymous

ii.   Ensure appropriate actions are taken

- Improve the communication of the whistle blowing mechanism of the Municipality throughout the administration
- Ensure that the administration establish mechanisms that handle all incidences of misconduct.
- Ensure that presiding officers over these mechanisms are people of integrity and conduct themselves in a professional and ethical manner.
- Ensure that recommendations from various audit, risk and investigation reports are implemented consistently

ii.   Implement procedures and processes consistently

- Encourage that new employees recruited display high professional morality.

iii.   Accountability is needed to ensure decisions are taken

- Council Rules and Ethics Committee to define processes to keep councillors accountable to the Code of Conduct.

8.   GOVERNANCE ARRANGEMENTS

8.1   Ethics Governance and Management structures

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

8.1.1.   Ethics Governance structures

8.1.1.1 Council Ethics Committee

- Receives reports from Audit Committee

8.1.2   Council committee for oversight of municipal integrity

8.1.2.1 Municipal Public Accounts Committee

- Reports to council any investigations on ethics

8.1.2.2 Audit committee

- Direction and oversight of proactive and reactive measures
- Monitoring the implementation of the strategy
- Oversight of investigations and ethics

8.1.2.3 Risk Management Committee

- Report to Audit Committee

8.1.2.4 **Ethics Working Group (New)**

- The Ethics Officer and other role-players must submit their progress to the Ethics Champion

8.1.2.5 **Ethics Champion**

- The Accounting Officer/ Municipal Manager takes the ultimate responsibility for driving and promote the implementation of the ethics management strategy.

8.1.2.5 **Operational Ethics Committee (Management)**

- A working group constituted to get the program off the ground and ensure improved co-ordination and synergies to implement the strategy. Ensure integration and strategy implementation

8.1.4**. Ethics Officer**

- Coordination of the implementation of the strategy.

8.1.5**. Reporting and information management**

- The Ethics Officer and other role-players must submit their progress to the Risk Champion/Municipal Manager. The reporting will be done at the Risk Management Committee meetings.

- The Risk Champion and Ethics Officer must ensure that regular reports on progress with implementation are made to the Ethics Working Group and Audit Committee

The following governance arrangements is a diagram depicting the ethics governance and management structures.
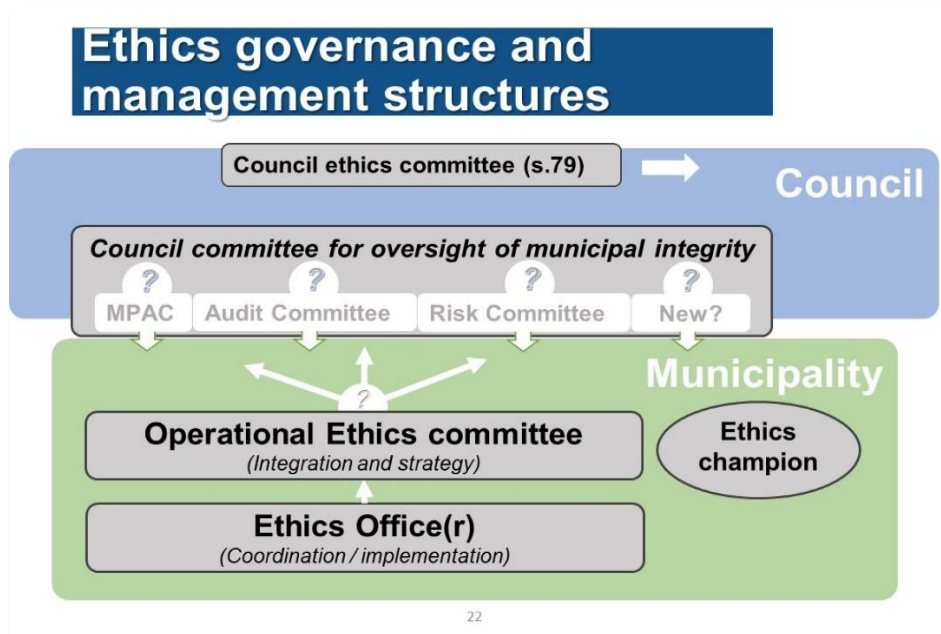
8.2 Roles and Responsibilities: Political Level

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) and as a reactive role.

Council Disciplinary Committee / Ethics committee /MPAC should also oversee the pro-active initiatives to build integrity in the municipality.

8.2.1 Governance Structures

The municipality has established the following committees to exercise oversight:

Committees	Roles
Council Disciplinary Committee / Ethics committee/Rules Committee	Ensure discipline where councillors transgress ethics requirements
Municipal Public Accounts Committee	Oversight
Audit Committee	Advisory
Risk Management Committee	Oversee ethics and compliance
Ethics Working Group (New)	Ensure continuous monitoring and reporting of the implementation of the strategy
Operational Ethics committee	Ensure integration and strategy implementation

8.2.2 Oversight of the integrity management programme

The Ethics Working Group (EWG) 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.

8.2 Roles and responsibilities of the Ethics Management Committee

The roles and responsibility of the ethics management committee as adopted and approved by the Accounting Officer includes amongst others the following;

8.4.1. Ethics Training and implementation

- Ensure that employees of the municipality are familiar with the code of conduct for municipal employees and the Batho Pele Principles

- Ensure that staff of the municipality are familiar with ethics related processes such as the declaration of private interest and gifts

- Ensure that staff of the municipality are familiar with the whistle blowing policy

- Review the communication of ethics codes and policies to staff and relevant stakeholders of the municipality

8.4.2 Ethics Risk Assessment

- Assess the ethics risk profile of the municipality
- Prioritise the ethics risks and address them in an ethics management plan

8.4.3 Code of ethics and policies

- Regularly review the ethical values and standards of the municipality as articulated in codes of ethics and ethics policies and if necessary, revise these documents.

- Review and approve ethics policies such as the declaration and disclosure of private interest policy and framework, gift disclosure policy and framework and whistle blowing policy.

8.4.4 Implementation of ethics standards

- Review communication of the ethics codes and policies to staff and relevant stakeholders of the municipality

- Review the whistle blowing mechanism, investigation updates, declaration of private interests register and the gift register

8.4.5. Other Roles, functions and mandate.

- Reporting to the Audit and Performance Committee, the Integrated Risk Management Committee and where necessary to the Municipal Public Accounts Committee on the successes, challenges and progress of ethics management

- Appraisals on commendable ethical conduct by officials of the municipality

- Receive and review updates on disciplinary cases against officials of the municipality

- Receive and update on investigations of fraud, corruption and other misconduct cases.

8.5. Roles and Responsibilities: Administrative Level

8.5.1. Municipal Manager

The Municipal Manager as the Ethics champion of the municipality has the overall responsibility to provide ethical leadership in the administration of the municipality.

The Municipal Manager will be assisted with the implementation of this strategy by the Ethics Working Group, Operational Ethics Management Committee and Ethics Officer.

The Municipal Manager should ensure that the municipality has a strong program to promote integrity and fight corruption and will allocate sufficient resources for the implementation of the integrity management requirements. This responsibility shall be incorporated in the Municipal Manager's performance agreement.

8.5.2 Ethics Champion

The Municipal Manager will be assigned the responsibility to champion the integrity management initiatives of the municipality.

The Ethics Champion shall, amongst others, have the following responsibilities (*adapt after discussions at the workshop):*

- 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.

8.5.3   Ethics Working Group

- The Ethics Working Group consists of the Executive Directors/Heads of the following Departments in the municipality: HR, Legal, Risk, Audit, MM's Office, Communication, Speaker's Office
- Corporate Services: (HR, Legal and Communication)
- MM's Office: (Risk, Audit and Performance Management)
- Speaker's Office:

The Ethics Working Group 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 take place within the department,
- Monitoring and reporting on ethics performance.

8.5.5   Ethics Officer

The municipality has established an Ethics function which will be located in the Governance, Risk & Compliance unit, Coordinator: Risk Management is assisting in that regard.

The Ethics Officer shall, amongst others, have the following responsibilities: (this should be finalised based on the discussions in the workshop. Some of these functions may also sit with other units / designations and this should then also be set out):

- 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 Municipal Manager
- Managing conflicts of interest, including:
  - Financial disclosures of employees;
  - Application for remunerative work outside the public service; and
 - 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

- Internal Audit Ethical Standards – Internal Audit unit
- Supply Chain Ethical Standards - SCM
- Code of ethical standards – Ethics officer and Corporate Services

Reporting lines

The reporting lines should be discussed and clarified in the workshop. Ideally, these should be mapped out and graphically depicted as well. The following can be used as a basis.
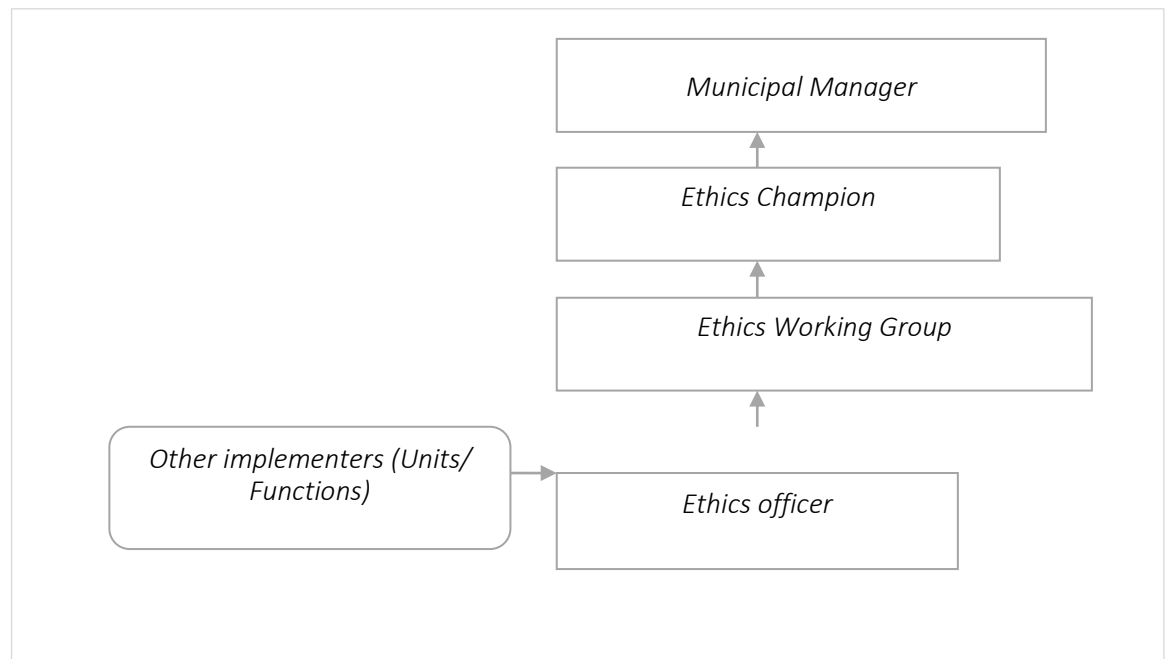
- The Ethics Officer must make regular reports on progress with implementation to the Ethics Champion
- Other implementers must submit their progress to the Ethics Officer to facilitate combined reporting.

- The Ethics Working Group will keep (*include the name of the identified Council committee*) informed of the ethics performance of the municipality and will formally report to the Municipal Manager through the Ethics Champion.

- The Ethics Working Group 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   POLICY OWNER

The policy owner is the Municipal Manager as the Ethics Champion.

10   IMPLEMENTATION

The implementation plan, attached as **annexure A**.

11.   REVIEW

This strategy will be reviewed and revised as and when necessary. However, for the most pragmatic purpose this strategy will be reviewed and revised in 2025 post significant organisational changes.

12.   APPROVAL PROCESSES

The strategy is approved by WRDM Council.